



Pradeep Metals Limited

34th ANNUAL REPORT

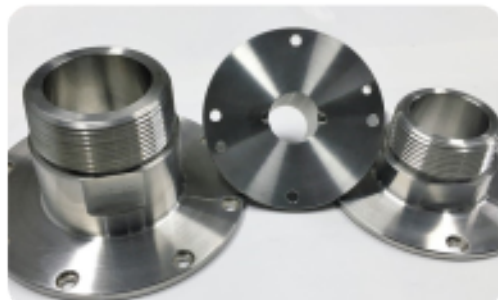
2016 - 2017

Publicly listed on BSE
30 years in the forging business
Consistent Quality
Quick tool development
Low-volume High mix customized parts
All facilities under one roof
Highly qualified technical support

factory



our product range



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Pradeep Goyal	Chairman and Managing Director
Dr. Kewal K. Nohria	Non-Executive Director
Mr. Omprakash Agarwal	Non-Executive Director
Mrs. Neeru Pradeep Goyal	Non-Executive Director
Mr. Suresh G. Vaidya	Independent Director
Mr. Raj Kumar Mittal	Independent Director
Mr. Rajeev D. Mehrotra	Independent Director (upto 27 th March, 2017)
Mr. Jaidev R. Shroff	Independent Director
Mr. Jayavardhan Dhar Diwan	Additional Director (Independent) (w.e.f. 13 th May, 2017)

Chief Financial Officer

Mr. Rakesh Agarwal
(w.e.f. 8th November, 2016)

Company Secretary and Compliance Officer

Ms. Suchita Singh
(w.e.f. 16th July, 2016)

Dy. Chief Financial Officer

Mr. Dilip Dalvi
(w.e.f. 27th May, 2016 till 8th November, 2016)

Statutory Auditor

N. A. Shah Associates LLP
Chartered Accountants

Secretarial Auditor

Shweta Gokarn & Co.
Company Secretaries

Intenal Auditor

BDO India LLP

Cost Auditor

J. J. Paleja & Co. (for FY 2016-17)
Cost Accountants
MKJ & Associates (for FY 2017-18)
Cost and Management 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, investors@pradeepmetals.com
Website: www.pradeepmetals.com
CIN: L99999MH1982PLC026191

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.
Tel: +91-22-49186270; Fax: +91-22-49186060
Email: rnt.helpdesk@linkintime.co.in

PERFORMANCE AT A GLANCE (STANDALONE)

PARTICULARS	Rs. in lakhs				
	2016-17	2015-16	2014-15	2013-14	2012-13
Sales and Other Income (Net of Excise Duty)	12,320	12,084	13,261	11,542	12,703
Profit before Interest, Depreciation and Tax	1,727	1,580	1,884	1,443	1,398
Less: Finance Cost	542	676	421	331	423
Less: Depreciation	390	370	258	206	200
Less: Preliminary Expenses Written off	0	0	0	0	0
Less: Prior period items - (income) / expenses (net)	8	20	0	0	0
Profit Before Tax	787	514	1,205	906	775
Less: Taxation (including MAT and Deferred Tax)	270	138	422	302	334
Profit for the year before Dividend	517	376	783	604	441
Earnings per Equity Share of Rs.10/- each (in Rupees)					
a. Basic	3.00	2.17	4.53	3.50	2.62
b. Diluted	3.00	2.17	4.53	3.50	2.56
c. Net Worth (Rs. in lakhs)	4,456	3,938	3,687	3,377	3,015

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING OF PRADEEP METALS LIMITED WILL BE HELD ON MONDAY, 21st AUGUST, 2017 AT 3.00 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 consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Omprakash Agarwal (DIN: 00022796), who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of N. A. Shah Associates LLP (Registration No. 116560W/W100149) [formerly known as N. A. Shah Associates, (Firm Registration No. 116560W)], Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirty Fifth AGM of the Company, be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration and reimbursement of out of pocket and travelling expenses.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jayavardhan Dhar Diwan (DIN:01565319), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed an Independent Director of the Company for a term of 5 years, with effect from 13th May, 2017 up to 12th May, 2022.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”, including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval(s) from appropriate authorities required, if any, inter alia Central Government, consent of the

PRADEEP METALS LIMITED

Members of the Company be and is hereby accorded for re-appointment of Mr. Pradeep Goyal (DIN:00008370) as the Chairman and Managing Director of the Company, for a period of 3 (Three) years commencing from 17th December, 2017 to 16th December, 2020, on the following terms and conditions:

(i)	Basic Salary	Rs. 7,00,000/- per month
(ii)	Incentive Pay	Subject to maximum of Rs. 25,00,000/- per annum to be decided by the Board of Directors / Nomination & Remuneration Committee depending on performance of the Company.
(iii)	Perquisites (Including Allowances)	
	Leave Travel Allowance	The yearly payment in the form of allowance shall be equivalent to one month's basic salary.
	Magazines/ Books Allowance	Rs. 50,000/- per annum
	Gas/ Electricity/ Maintenance Allowance	Rs. 96,000/- per annum
	Medical Reimbursement	Expenditure incurred by the Chairman and Managing Director and his family
	Club Fees	Actual fees for maximum of two clubs. Admission fee and life membership fees will not be paid by the Company.
	Leave	As per Company Rules
	Encashment of leave	As per Company Rules
	Car with Driver	For use on the Company's business
	Telephone	At residence and cellular phones. Personal long distance calls to be charged and recovered by Company.

The perquisites and allowances shall be calculated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisite and allowance shall be evaluated at cost.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where in any financial year during the currency of the term of Mr. Pradeep Goyal as the Chairman and Managing Director, the Company has no profits or its profits are inadequate, he shall be paid the remuneration stated above as "Minimum Remuneration" in the respective financial year(s) even if the same may exceed the ceiling limit laid down in Section 197 and Schedule V to the Act, subject to approval of the Central Government, if required.

RESOLVED FURTHER THAT during the term of office of Mr. Pradeep Goyal as Chairman and Managing Director of the Company, he shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company/Nomination & Remuneration Committee of the Directors be and are hereby authorized to alter/amend/revise the terms and conditions of appointment of Mr. Pradeep Goyal including salary, allowances, perquisites, and designation with mutual consent, subject to and in accordance with the applicable provisions of the Act and Schedule V thereto.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to execute all such documents, writings and agreements and to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of 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], MKJ & Associates, Cost & Management Accountants, Mumbai (Firm Registration No. 001352), appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the financial year ending

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31st March, 2018, be paid a remuneration of Rs.1,25,000/-(Rupees One Lakh Twenty Five Thousand Only) plus Goods and Service Tax and reimbursement of out of pocket expenses incurred by them in connection of the aforesaid audit.”

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

Place: Navi Mumbai
Date: 13th May, 2017

**Sd/-
Suchita Singh
Company Secretary
Membership No. A43837**

REGISTERED OFFICE:

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

NOTES

1. 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.

The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed, signed and stamped not less than **(48) FORTY EIGHT HOURS** before the commencement of the Meeting viz. upto 3.00 pm on 19th August 2017. Proxies/authorizations submitted on behalf of limited companies, body corporates, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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. A Member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

A Proxy Form is annexed to this Report.

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) setting out all material facts relating to Special Business to be transacted at the Meeting is annexed herewith and the same should be taken as part of this Notice. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as Director, are also annexed to this Report.
3. The Company has appointed Ms. Shweta Gokarn, Practicing Company Secretary (Certificate of Practice No. 11001) to act as a Scrutinizer, for conducting the remote E-Voting process and to conduct voting/poll at AGM, in a fair and transparent manner.
4. The Register of Members and Share Transfer Books of the Company will be closed from Monday, 14th August, 2017 to Sunday, 20th August, 2017 (both days inclusive).
5. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days’ notice in writing is given to the Company.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code, IFSC code, 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 Agent i.e. Link Intime India Private Limited (LIPL), C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, to provide efficient and better services. Members holding shares in



physical form are requested to intimate such changes to LIPL.

The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit PAN to their depository participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to LIPL.

7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or LIPL, 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.
8. Members holding shares in physical form are requested to consider converting their holdings in dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIPL for assistance in this regard.
9. Members seeking any information with regard to the Accounts, are requested to write to the Company at investors@pradeepmetals.com at least 10 (Ten) days before the Meeting, so as to enable the Management to keep the information ready at the AGM.
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 2016-17 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. The Notice is being sent to all Members whose names would appear in the Register of Members as on Friday, 14th July, 2017 and to the Directors and Auditors of the Company.
12. Members may note that the electronic copy of the 34th Annual Report (including the AGM Notice) will also be available on Company’s website i.e. 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 01.00 pm up to date of the Annual General Meeting except on Sundays and holidays.
14. Members / Proxies / authorized representatives are requested to bring their copies of the Annual Report to the Meeting along with duly filled in attendance slips mentioning therein details of their DP ID and Client ID / Folio No. for attending the meeting.
15. In terms of the applicable provisions of Section 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund. Those Members who have so far not encashed their dividend warrants pertaining to previous financial years are requested to approach the Company for the payment thereof as the same will be transferred to Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 on respective due dates. Kindly note that after such date, the Members will have to claim such dividend from such Investor Education and Protection Fund in accordance with the Rules prescribed by the Central Government under the Companies Act, 2013. Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of 29th September, 2016 (date of last AGM) on the website of the Company. The information is also available on the website of Investor Education and Protection Fund www.iepf.gov.in.
16. The Company’s Equity shares are the Script which Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialized form by all investors.
17. A route map showing directions to reach to the venue of the 34th Annual General Meeting is given at the end of this Report as per the requirement of Secretarial Standards on General Meeting (SS-2).
18. To support ‘Green Initiative’, Members who have not registered their email addresses are requested to register the same with DPs / LIPL.

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VOTING THROUGH ELECTRONIC MEANS

Registered Folio No./DP ID No./ Client ID:	Number of Shares held:
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Instructions for e-voting are as under:

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 34th Annual General Meeting to be held on Monday, 21st August, 2017 at 3.00 pm, by electronic means and the business may be transacted through e-voting services. 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 and on the website of NSDL www.nsdl.co.in.
- II. The facility for voting through Polling Paper will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting, shall be able to exercise their right at the AGM through polling paper.
- III. The Members who have cast their votes by remote e-voting prior to AGM may also attend AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting facility will be available during the following voting period:

Commencement of e-voting 18th August, 2017 (9.00 am)	End of e-voting 20th August, 2017 (5.00 pm)
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During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th August, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, they shall not be allowed to change it subsequently.

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 21st August, 2017.

- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :
 - i. Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
Note: If you are already registered with NSDL for e-voting then you can use your existing user id and password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder - Login
 - iv. Put user ID and password. Click Login.
 - v. Password change menu appears. Change the password /PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select "EVEN" of "PRADEEP METALS LIMITED".
 - viii. Now you are ready for remote e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together



PRADEEP METALS LIMITED

with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csshwetagokarn@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

(i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD / PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on Toll Free No. 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
Note: Shareholders who forgot the User details / password can use “Forgot User Details / Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com
In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+Client ID)
In case shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No.).
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Monday, 14th August, 2017.
- X. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 14th August, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or LIPL, Registrar and Share Transfer Agent. 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 forgot your password, you can reset your password by using “Forgot User Details / Password” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL at the Toll Free No. 1800-222-990.
- XI. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling Paper.
- XII. Ms. Shweta Gokarn, (Membership No. 11001) of Shweta Gokarn & Co. Practicing Company Secretary is appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting 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 and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.pradeepmetals.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited, Mumbai.

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ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 3

This explanatory statement is provided, though strictly not required as per Section 102 of the Act.

N. A. Shah Associates LLP (Registration No: 116560W/W100149) [formerly known as N. A. Shah Associates (Firm Registration No. 116560W)], Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 11th September, 2015, to hold office from the conclusion of the Thirty Second AGM till conclusion of the Thirty Seventh AGM to be held in the year 2020. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the Members at every AGM. Accordingly, ratification of the Members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at Item No. 3 of the Notice.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of this Resolution.

The Board commends passing of the Resolution set out at Item No. 3 of the accompanying Notice.

Item Nos. 4 & 5

In order to comply with the provisions of Section 149 of the Companies Act, 2013 (the Act) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subsequent to the resignation tendered by Mr. Rajeev Mehrotra as an Independent Director of the Company on 27th March, 2017, the Board of Directors in its meeting held on 13th May, 2017, appointed Mr. Jayavardhan Dhar Diwan as an Additional Director of the Company.

Mr. Jayavardhan Dhar Diwan holds a degree in BE (Metallurgy) from University of Roorkee and has completed his MBA from S P Jain Institute of Management and Research. He started his career in Indian Aluminium post his Engineering degree. He moved to a career in Finance in 1993 post his MBA, as a Senior Research Analyst in W I Carr, moving on to KBC Financial Products as Executive Director. Currently, Mr. Diwan is the Managing Partner / Advisor to Odyssey India Advisory Private Limited.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director up to the date of this Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit.

Pursuant to the provisions of Section 149, the Nomination and Remuneration Committee has recommended the appointment of Mr. Diwan as a Director in the capacity as Independent / Non-Executive Director, not liable to retire by rotation, from 13th May, 2017 till 12th May, 2022. Mr. Diwan, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Diwan fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and is independent of the Management.

Brief resume of Mr. Diwan, nature of his expertise in specific functional areas and names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Listing Regulations, is provided in the Corporate Governance Report forming part of the Annual Report. This Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of appointment of Mr. Diwan is available for inspection by Members at the Registered Office of the Company on all working days (except Sundays and holidays) between 10.00 am and 1.00 pm up to the date of the Annual General Meeting.

Except Mr. Diwan, none of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolutions.

The Board commends passing of the resolutions set out at Item Nos. 4 & 5 of the accompanying Notice.

Item No. 6

The Members of the Company had accorded their approval for re-appointment of Mr. Pradeep Goyal as the Chairman and Managing Director of the Company for a period of 3 years with effect from 17th December, 2014 till 16th December, 2017 and the remuneration payable to him, by passing a Special Resolution at its 31st Annual General Meeting held on 4th September, 2014, subject to approval of Central Government, which was received by the Company subsequently. The tenure of Mr. Goyal as Chairman and Managing Director is expiring on 16th December, 2017.

The Board of Directors / Nomination & Remuneration Committee, at their meeting held on 13th May, 2017, after careful consideration and deliberation on Mr. Goyal's qualifications, experience, expertise and responsibilities shouldered by him and rising volume of Company's business and profits and the practice prevailing in the Industry, thought it prudent and in the best interest of the Company that Mr. Goyal be re-appointed as Chairman and Managing Director of the Company for the tenure of 3 (three) years with effect from 17th December, 2017 till 16th December, 2020, on the terms and conditions and remuneration as mentioned in Resolution No. 6, subject to approval of its Members by a Special Resolution.

The information as required under Part II Section II (A)(iv) of Schedule V of the Companies Act, 2013 is given below:

I. General Information					
Sr. No.	Particulars	Information			
1.	Nature of Industry	Manufacturer and Exporter of closed die forged and machined components.			
2.	Date or expected date of commencement of commercial production	The Company is an existing Company and carrying out business for more than 25 years.			
3.	In case of a new company, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	Not Applicable			
4.	Financial Performance (Standalone) based on given indicators	<i>(Rs. in lakhs)</i>			
			31st March, 2017	31st March, 2016	31st March, 2015
		Share Capital:			
		Equity	1,726.26	1,726.26	1,726.26
		Reserves & Surplus	2,729.28	2,211.92	1,961.06
		Total Income	12,319.61	12,084.24	13,268.69
		Profit Before Tax	786.99	513.52	1,205.25
		Profit After Tax	517.36	375.54	782.57
5.	Foreign Investments or Collaborations, if any.	Investment in Pradeep Metals Limited Inc, USA (WOS)	879.10	543.65	267.91

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II. General Information				
Sr. No.	Particulars	Information		
1.	Background details	Mr. Pradeep Goyal is associated with the Company since its incorporation. He is considered for re-appointment as Chairman and Managing Director of the Company due to his vast experience in the industry and strong educational background. He is a qualified engineer having completed his B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur (1978) and obtained his S.M. (Materials Science and Engineering) from the world renowned Massachusetts Institute of Technology, Cambridge, MA, USA, (1980). He is currently on the Board of Directors of UPL Limited, Uniphos Enterprises Limited, Hind Rectifiers Limited, Munak Engineers Private Limited, S. V. Shah Construction Services Private Limited, Pradeep Metals Limited Inc and IITB Research Park Foundation.		
2.	Past Remuneration	Details of the remuneration paid to Mr. Pradeep Goyal, during the tenure of his appointment from 17 th December, 2014 to 16 th December, 2017, as Chairman and Managing Director of the Company, are as follows:		
		Rs. in lakhs		
		Particulars	2014-15	2015-16
		Basic Salary	84.00	84.00
		Perquisites	0.40	0.40
		Incentive Pay	0.00	0.00
		Total	84.40	84.40
3.	Recognition or Awards	Mr. Pradeep Goyal was awarded 1 st Rank in Metallurgy at I.I.T. Kanpur and received Silver Medal from the President of India. Best Student Metallurgist Award was conferred on him by the Indian Institute of Metals in 1978. He is the recipient of several awards and scholarships all through his career.		
4.	Job Profile and his suitability	Mr. Pradeep Goyal is associated with the Company since its incorporation and he is on its Board of Directors since the year 1983. He has been acting as Managing Director of the Company since 17 th December, 2000. In 2010, he was elevated as Chairman and Managing Director of the Company. The Company has been growing due to his technical, marketing and managerial expertise and efforts.		
5.	Comparative Remuneration Profile with respect to industry; size of Company; profile and position of the person	Considering the qualification and experience of Mr. Pradeep Goyal and looking to the considerable growth of the Company, its increasing revenue and the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar level counterpart(s) in the Industry.		
6.	Pecuniary relationship directly or indirectly with the Company or relation with Managerial Person	Mr. Pradeep Goyal belongs to the Promoters' Group and is related to Mrs. Neeru Pradeep Goyal, Director. Besides remuneration being paid / proposed to be paid, he does not have any pecuniary relationship with the Company.		



PRADEEP METALS LIMITED

III. Other Information					
Sr. No.	Particulars	Information			
1.	Reasons of loss or inadequate profits	Business profits had been low in the past due to several reasons like overall economic recession in the engineering industry, high interest rates, frequent increase in energy and other costs and competitive market conditions.			
2.	Steps taken or proposed to be taken for improvement	The Company has diversified its business to value added products and increased exports with the technical and marketing efforts of Mr. Pradeep Goyal. The Company has developed new customers and also new components for existing customers resulting into increased business. The Company has also embarked on several steel yield improvement methods for improved profitability.			
3.	Expected increase in productivity and profits in measurement terms	Considering the market conditions prevailing globally and efforts made by the management to develop new products and customers, the Company has conservatively set the following targets in terms of sales and profitability.			
		Rs. in lakhs			
		Particulars	31st March, 2018	31st March, 2019	31st March, 2020
		Gross Receipts	14,181	15,572	17,102
		Profit before Tax	1,010	1,183	1,478
		Profit after Tax	593	697	874

IV. Disclosures		
Sr. No.	Particulars	Information
1.	Remuneration package of the appointee	As per the terms and conditions given in the Special Resolution and its Explanatory Statement under Item No. 6.
2.	Details of fixed component and performance linked incentive alongwith the performance criteria	Disclosure on all elements of remuneration package of all the Directors of the Company have been made in the Corporate Governance Report which forms part of the Annual Report of the Company for FY 2016-17.
3.	Service Contract, Notice Period, Severance Fees	Service Contract is for a period of 3 years w.e.f. 17 th December, 2017 till 16 th December, 2020. There is no provision for Notice Period and Severance fees.
4.	Stock Options details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	NA

Considering Mr. Pradeep Goyal's qualifications, experience, expertise, responsibilities shouldered by him, the rising volume of Company's business and profits earned by it, the proposed re-appointment and terms of remuneration can be considered as reasonable. Your Directors are of the opinion that the re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company is in the best interest of the

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Company.

The above Explanatory Statement shall be construed as an abstract of the terms of the appointment / reappointment / variations, together with a Memorandum of interest or concern of the interested Directors, as prescribed under Section 190 of the Companies Act, 2013.

Except, Mr. Pradeep Goyal and Mrs. Neeru Goyal, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in anyway, concerned or interested, financially or otherwise, in the Resolution. Mr. Pradeep Goyal holds 9.13% shareholding of the Company and belongs to the Promoters Group.

The Board commends passing of the resolution as set out at Item No. 6 of the accompanying Notice.

Item No. 7

J. J. Paleja & Co., Cost Accountant (Firm Registration No. 100656), have been functioning as the Cost Auditors of the Company for conducting the audit of cost records from FY 2014-15 till FY 2016-17. As a matter of prudent policy to rotate the Cost Auditors, the Board of Directors, on the recommendation of the Audit Committee at its meeting held on 13th May, 2017, approved the appointment of MKJ & Associates, Cost & Management Accountants, (Firm Registration No. 001352), to conduct the audit of the cost records of the Company for the financial year ending 31st March 2018 at a remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus Goods and Service Tax and reimbursement of out of pocket expenses at actual. In accordance with the provisions of Section 148 of the Companies Act, 2013 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. 7 of the Notice, for the remuneration payable to the Cost Auditors for the financial year ending 31st March 2018.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of this Resolution.

The Board commends passing of the Resolution set out at Item No. 7 of the accompanying notice.

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

Place: Navi Mumbai
Date: 13th May 2017

**Sd/-
Suchita Singh
Company Secretary
Membership No. A43837**

DIRECTORS' REPORT

Your Directors are pleased to present the Thirty Fourth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

The Company's standalone financial performance for the year ended 31st March, 2017 is summarized below:

(Rs. in lakhs)

Year Ended	31.03.2017	31.03.2016
Total Income	12,319.61	12,084.24
Profit / (loss) before Depreciation	1,184.85	903.58
Less: Depreciation & amortization expenses	389.92	370.19
Net Profit for the year before prior period items and taxes	794.94	533.40
Less: Prior period items (net)	7.95	19.87
Profit before taxes	786.99	513.52
Less: Provision for taxes	269.63	137.98
Profit after tax for the year	517.36	375.55

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

Your Company achieved Revenues from Operations and Other Income (net of excise duty) of Rs.12,319.61 lakhs during the financial year ended 31st March, 2017, a nominal increase of 1.95% over the previous year. It is attributable to slow down in global economy and decline in sales realization. The Company has been able to maintain nominal growth in rupee terms due to increase of 6.21% in quantity of finished products produced. Profit before taxes & prior period items for the year has increased by 49.03% and Profit after taxes by 37.76% during the year under review due to better recovery and cost controls.

Detailed analysis and future outlook of the Company's business are dealt in the Management Discussion and Analysis Report.

The Company continues to export 65% to 70% of its finished products and has received award **for Star Performer** in Category of Steel Forgings (Medium Scale) from Engineering Export Promotion Council (EEPC) for the year 2014-15.

3. DIVIDEND

Considering the current market conditions and need to improve capital gearing, the Board of Directors thought it prudent not to recommend any Dividend for the financial year ended 31st March, 2017.

4. TRANSFER TO RESERVES

No amount has been transferred to the General Reserve. An amount of Rs.2,001.72 lakhs is proposed to be retained in the Profit and Loss Account of the Company.

5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), is presented in a separate section forming part of the Annual Report.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has one Wholly Owned Subsidiary namely Pradeep Metals Limited, Inc., Houston, USA (the WOS) and one Stepdown Subsidiary namely Dimensional Machine Works, LLC, Houston, USA (the SDS). Financials of both the subsidiaries are included in the Consolidated Financial Statements, which are

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prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Report.

The WOS is engaged in warehousing and marketing the products manufactured by the Company, whereas the SDS is manufacturing components mainly for the Oil & Gas industry in USA. The total income of the WOS and the SDS was Rs.922.73 lakhs and Rs.1,062.04 lakhs for the current year as compared to Rs.1,036.79 lakhs and Rs.2,062.04 lakhs for the previous year, respectively. The combined loss before taxes of both the subsidiaries amounted to Rs.840.84 lakhs in the year as compared to Rs. 494.55 lakhs in the previous year. The losses were higher due to continued recessionary conditions in USA, legal expenses incurred, etc.

The Consolidated Income of the Company was Rs.13,335.88 lakhs in the current year as compared to Rs.14,446.35 lakhs in the previous year. The Consolidated Profit after taxes and allocation to minority interest, has declined from Rs.74.95 lakhs in the previous year to Rs.64.70 lakhs for the year mainly due to higher losses suffered by the SDS.

The WOS and SDS are now performing better and it is expected that both the subsidiaries will return to profitability in near future because of their inherent strengths in terms of technology, timely deliveries and the satisfied customers.

The dispute has arisen with the 49% stakeholder of the SDS and the erstwhile vendor on certain issues. Currently, the matter is sub-judice. However, all the efforts are being made to ensure un-interrupted production and sales and maintain harmonious labour relationship.

The Company does not have any other Joint Venture or Associate Company.

As required by the Companies (Accounts) Rules, 2014, a report on performance and financial position of each of the subsidiaries, included in the Consolidated Financial statements, is annexed to this Report as **Annexure A** (Form No. AOC-1).

7. DEPOSITS

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

8. CREDIT RATING

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

Rating Agency	CRISIL Limited
Total Bank Loan facilities rated	Rs. 8,500 Lakhs
Long-term Rating	BBB / Negative
Short-term Rating	A3+

9. SHARE CAPITAL

During the year under review, there was no change in the Company's Issued, Subscribed and Paid-up Equity Share Capital which consisted of 1,72,70,000 Equity Shares of Rs.10/- each as on 31st March, 2017.

The Company has issued only one class of Equity Shares and it has not issued shares with differential rights.

The Company has not issued any Equity Shares under Sweat Equity Share Capital or Employee Stock Option Scheme and there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under any scheme.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

At present, your Company has Eight (8) Directors consisting of Four (4) Independent Directors (of which one is an Additional Director), One (1) Executive Director and Three (3) Non-Executive Directors (including a Woman Director).

In accordance with the provision of Section 152(6) of the Companies Act, 2013 (“the Act”), Mr. Omprakash Agarwal (DIN: 00022796), Non-Executive, Non-Independent Director, retires by rotation at ensuing Annual General Meeting (AGM) and, being eligible, has offered himself for re-appointment. His background is given in the Corporate Governance Report, which forms part of this Report.

During the period under review, Mr. Rajeev Mehrotra resigned as a Director of the Company w.e.f. 27th March 2017 due to his personal and unavoidable circumstances. The Board places on record its appreciation and gratitude for the valuable contribution by Mr. Rajeev Mehrotra during his tenure with the Company. The Board of Directors appointed Mr. Jayavardhan Dhar Diwan (Din: 01565319) as an Additional Director in the category as Non-Executive /Independent Director w.e.f. 13th May, 2017, in the casual vacancy caused due to resignation of Mr. Rajeev Mehrotra. Pursuant to the provisions of Section 161 of the Act, Mr. Diwan will hold office up to the date of the ensuing AGM. He has confirmed his eligibility and willingness to accept the office of Directorship of your Company, if appointed. Mr. Diwan holds a degree in BE (Metallurgy) from University of Roorkee and Master of Management Studies from S. P. Jain Institute of Management Studies and possess more than 25 years of experience. In the opinion of your Directors, the qualifications and rich experience of Mr. Diwan would be useful to your Company and would enable him to contribute effectively in his capacity as an Independent Director of your Company. It is, therefore, considered prudent that your Company should continue to avail the services of Mr. Diwan and the Board recommends that the proposed resolution relating to the appointment of Mr. Diwan as the Director of your Company be approved.

Your Company has received a notice under Section 160 of the Act, proposing appointment of Mr. Diwan as an Independent Director of your Company. A separate proposal seeking approval of the Members for the appointment of Mr. Diwan as an Independent Director of your Company for a period of 5 years w.e.f. 13th May, 2017 till 12th May, 2022, has been incorporated in the Notice of the ensuing AGM.

During the year, Mr. Rakesh Agarwal, a Chartered Accountant and Cost Accountant with post qualification experience of 16 years, was appointed as the Chief Financial Officer (CFO) of the Company w.e.f. 8th November, 2016. Subsequent to the appointment of Mr. Agarwal, Mr. Dilip Dalvi was relieved from his responsibility as a Key Managerial Personnel from even date, however, he continues to be in the services of the Company as Dy. CFO reporting to Mr. Rakesh Agarwal, CFO.

Pursuant to the provisions of Section 203 of the Act, Mr. Pradeep Goyal, Chairman and Managing Director, Mr. Rakesh Agarwal, Chief Financial Officer and Ms. Suchita Singh, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

11. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure B**.

12. DIRECTORS’ RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 (“the Act”), the Board of Directors, in respect of the year ended 31st March, 2017, hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;
- b. they had 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 at the end of the financial year and of the loss of the Company for that period;
- c. they had 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;
- d. they had prepared the annual accounts on a going concern basis;
- e. they had laid down internal financial controls to be followed by the Company and that such internal

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- financial controls are adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company, confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION ETC.

The Company has put in place appropriate policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013.

The salient features of Company's policy on Directors' remuneration have been disclosed in the Corporate Governance Report, which forms part of this Report.

15. ANNUAL EVALUATION OF BOARD'S PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 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.

The Board and Nomination and Remuneration Committee reviewed the performance of Individual Directors, the Board as a whole, Committees of the Board and Chairman and Managing Director after taking into consideration feedback received from Directors. The evaluation was done on various parameters such as vision and strategy, participation, 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. as per the structured questionnaire circulated to the Directors, taking into consideration the guidelines issued by SEBI. The feedback received from Directors were then consolidated and placed before the Committee / Board for its evaluation. The Directors expressed their satisfaction with the evaluation process.

16. CORPORATE GOVERNANCE AND VIGIL MECHANISM

A detailed Report on Corporate Governance, pursuant to the requirements of Regulation 34(3) of the Listing Regulations forms an integral part of this Report. A Certificate from the Auditors of the Company, N. A. Shah Associates LLP, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V(E) of the Listing Regulations, is annexed to this Report as **Annexure C**.

The Business Responsibility Reporting as required by Regulation 34(2) of the Listing Regulations is not applicable to your Company for the financial year ending 31st March, 2017.

The Vigil Mechanism of the Company also incorporates a Whistle Blower Policy in terms of the Listing Regulations thereby establishing a vigil mechanism for Directors and permanent employees for reporting genuine concerns, if any. 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: <http://www.pradeepmetals.com/policies/>.

17. RISKS

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 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. The Risk Management Committee has been dissolved w.e.f. 13th May, 2017 and the Audit Committee will also look into the Risk Management functions.

18. 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 and the same has been hosted on the Company's website www.pradeepmetals.com.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. During the year, the Company has spent Rs.17.22 lakhs (about 98.68%) 2% of the average net profits of last three financial years on CSR activities.

The Company has identified focus areas of engagement which have been enumerated in the Annual Report on CSR activities in **Annexure D** to this Report.

19. AUDIT COMMITTEE

The details in respect of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

20. AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors

Pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, N. A. Shah Associates LLP (Registration No. 116560W/W100149), [formerly known as N A Shah Associates (Firm Registration No.116560W)] Chartered Accountants, were appointed in 32nd Annual General Meeting ("AGM") as the Statutory Auditors of the Company, for a term of 5 years, subject to the ratification by Members in every AGM. The Company has received necessary certificate from the Auditors pursuant to Section 139 and 141 of the Companies Act, 2013 regarding their eligibility for appointment. In pursuance of the provisions of Section 139 of the Act, appropriate resolution for ratification of the appointment of N. A. Shah Associates LLP as the Statutory Auditors of the Company is being placed at the ensuing AGM.

Auditors Report

The Notes on Financial Statements 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 the provisions of Section 148 of the Companies Act, 2013 (the Act) 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. As a matter of prudent policy to rotate the existing Cost Auditors, viz. J. J. Paleja & Co., Cost Accountants, the Board of Directors, on recommendation of Audit Committee, has appointed MKJ & Associates, Cost & Management Accountants, (Firm Registration No. 001352) as Cost Auditors to audit the cost accounts of the Company for financial year 2017-18 at a remuneration of Rs.1,25,000/- (plus Goods and Service Tax and reimbursement of out of pocket expenses at actuals).

Pursuant to Section 148 of the Act, a resolution seeking Member's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing AGM.

The relevant Cost Audit Report for the FY 2015-16 was filed with Ministry of Corporate Affairs on 29th September, 2016.

c. Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Shweta Gokarn & Co., Practicing Company Secretaries, were appointed as the Secretarial Auditors to conduct Secretarial Audit.

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The Secretarial Auditors' Report for the financial year ended 31st March, 2017 is annexed to this Report as **Annexure E**. In connection with the auditors' observation in the Secretarial Audit Report, it is clarified that, there was a delay of 2 days in publishing the audited financial statements for the financial year 2015-16 in Marathi newspaper, due to time taken for translation. However, your Company will take adequate measures for timely compliance in future.

21. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

During the financial year 2016-17, the Company has made an investment of Rs.335.45 lakhs in the Equity Share Capital of Pradeep Metals Limited Inc,(WOS).

The Company has not given loans to any person / entity except, to its employees nor it has given guarantee to anyone, during the financial year.

22. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/ 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 did not enter into any contract/ arrangement/ transaction with related parties, other than the 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 www.pradeepmetals.com

The particulars as required under the Act are furnished in **Annexure F** (Form No. AOC-2) to this Report.

23. MATERIAL CHANGES AND COMMITMENTS

The Company has, vide resolution passed at the meeting of Board of Directors held on 13th May, 2017, agreed to provide security for additional foreign currency loan of USD 1.2mn from Union Bank of India, HongKong Branch to Pradeep Metals Limited, Inc., USA (WOS) by providing it's unconditional and irrevocable Corporate Guarantee ; creating pari passu charge on its fixed assets at Rabale, Navi Mumbai ; pledging its 30% shareholding of the WOS ; and furnishing non-disposal undertaking for its balance 70% shareholding of the WOS.

Save and except as above, no material changes have occurred and no commitments were given by the company, thereby affecting its financial position between the end of financial year to which these financial statements relate and the date of this Report.

24. 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 G** to this Report.

25. INTERNAL FINANCIAL CONTROL SYSTEM

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.

26. HUMAN RESOURCES

The Company recognizes its human resources as one of its prime & critical resources for its growth and hence it strives to align human resource policy and initiatives to meet business plans. The relations between the Management and the Staff Members remained very cordial throughout the year under review. As on 31st March, 2017, the Company had 290 permanent employees at its manufacturing plants and administrative office at Rabale, Navi Mumbai.

27. EXTRACT OF ANNUAL RETURN AS ON 31stMARCH, 2017

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



28. BOARD MEETINGS HELD DURING THE FY 2016-17.

During the financial year 2016-17, Five (5) Board Meetings were held on 27th May, 2016, 16th July, 2016, 6th August, 2016, 8th November, 2016, and 24th January, 2017, details of which are furnished in the Corporate Governance Report forming part of this Report. The gap between any two Meetings did not exceed 120 days.

29. PROMOTER GROUP

The Promoter Group comprises of Mr. Pradeep Goyal, Mrs. Neeru Goyal, Rabale Engineering India Pvt. Ltd., and S. V. Shah Construction Services Pvt. Ltd. The Promoter Group's holding in the Company currently is 72.19% of the Company's paid up Equity Capital i.e. an increase of 2.17% as compared to the previous financial year.

30. PARTICULARS OF EMPLOYEES

In terms of the provisions of Sub Rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, none of the employees draw salary in excess of the limits prescribed under the Act and hence, no particulars are given. The Report and the Accounts are being sent to the Members excluding the statement containing the names of top ten Employees in terms of Remuneration drawn. In terms of Section 136 of the Act, the details of top ten Employees are open for Inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

31. SPECIAL BUSINESS

As regards the items in the Notice of the Annual General Meeting relating to Special Business, the Resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of Members to those proposals.

The following resolutions are proposed to be passed as Special Business:

- a) Appointment of Mr. Jayavardhan Dhar Diwan as a Director of the Company.
- b) Appointment of Mr. Jayavardhan Dhar Diwan as an Independent Director of the Company for a term of 5 years w.e.f. 13th May, 2017 to 12th May, 2022.
- c) Re-appointment of Mr. Pradeep Goyal as the Chairman and Managing Director of the Company for a period of 3 years commencing from 17th December, 2017 to 16th December, 2020 and remuneration payable.
- d) Approve remuneration of Cost Auditors for the financial year ending 31st March, 2018.

32. 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:

- 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.
- The Company has constituted Anti Sexual Harassment Committee and 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.
- There were no frauds reported by the Auditors under Sub section (12) of Section 143 of the Companies (Amendment) Act, 2015, to the Audit Committee, Board of Directors or Central Government.

33. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Government authorities, Union Bank of India (bankers), customers, vendors, employees and members during the year under review and look forward to their continued support.

For and on Behalf of the Board of Directors

Sd/-

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Place: Navi Mumbai
Date: 13th May, 2017

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ANNEXURE A TO DIRECTORS' REPORT

FORM No. AOC-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 lakhs)*

Sr. No.	Name of Subsidiary	Pradeep Metals Ltd Inc., Houston, USA	Dimensional Machine Works, LLC, Houston, USA
1	Date since when subsidiary was acquired	04.03.2015#	25.04.2015
2	Reporting period	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017
3	Reporting Currency	USD	USD
4	Share capital	880.53	2,297.73
5	Reserves and Surplus	(176.15)	(959.39)
6	Total Liabilities excluding Share Capital and Reserves	2,273.82	1,419.12
7	Total Assets	2,978.20	2,757.46
8	Investments	1,996.86	-
9	Turnover / Total Income	922.73	1,062.04
10	Profit Before Taxation	(33.46)	(807.38)
11	Provisions for Taxation	-	-
12	Profit after Taxation	(33.46)	(807.38)
13	Proposed Dividend	-	-
14	% of Share Holding	100%	51%

* Exchange Rate of USD 1= Rs. 64.84 for Balance Sheet items and Rs.67.09 for Profit & Loss items for 2016-17.

Pradeep Metals Limited, New York, incorporated on 12.06.2012, was merged into Pradeep Metals Limited, Inc. since 04.03.2015.

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

Part 'B': Associate and Joint Ventures: None

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.

Place : Navi Mumbai
Date: 13th May 2017

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Suchita Singh
Company Secretary
Membership No. A43837

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

ANNEXURE B TO DIRECTORS' REPORT

Information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Executive Director	Ratio to median remuneration
Mr. Pradeep Goyal	24

Non-Executive Directors received no remuneration, except sitting fees for attending Board / Committees meetings. The details of sitting fees paid to Non-Executive Directors is provided in Corporate Governance Report.

II. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

There was no change in the remuneration of Directors. The Chief Financial Officer and Company Secretary were appointed during the year and hence the percentage increase is not comparable.

III. The percentage increase in the median remuneration of employees in the financial year : 36%**IV. The number of permanent employees on the rolls of Company: 290****V. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The Average percentile increase is 10% and there is no change in Managerial Remuneration.

VI. Affirmation that the remuneration is as per the remuneration policy of the Company:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid is as per its remuneration policy.

VII. The particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not provided as none of the employees draw salary in excess of the limits prescribed under the Act. The Report and the Accounts are being sent to the Members excluding the statement containing the names of top ten Employees in terms of Remuneration drawn. In terms of Section 136 of the Act, the details of top ten Employees are open for its Inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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ANNEXURE C TO DIRECTORS' REPORT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Pradeep Metals Limited

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Based on the engagement by the management of Pradeep Metals Limited ('the Company'), we have examined details of compliance of conditions of Corporate Governance by Pradeep Metals Limited ('the Company') for the year ended 31st March, 2017 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchange.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance of conditions of Corporate Governance, is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2017.
4. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause/Regulation as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us and representations made by the Directors and management, we certify that during the year ended 31st March 2017, the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and Listing Regulations as applicable mentioned in para 1 above.
8. 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.

Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose of compliance with the requirement of the Listing Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 13th May, 2017

**ANNEXURE D TO DIRECTORS' REPORT****Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17
(Rs. In lakhs)**

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	The Company has identified two focus areas of engagement which are as under: <ul style="list-style-type: none">• Health: Eradication of Polio and creating nationwide awareness of cancer.• Education: Promoting education by giving school kit, providing hostel facility and education to girl child (orphan) and providing education to tribal children. http://www.pradeepmetals.com/policies/
2.	Composition	Mrs. Neeru Goyal - Chairperson Mr. Raj Kumar Mittal - Member Mr. Rajeev Mehrotra - Member # Mr. Jayavardhan Dhar Diwan - Member \$
3.	Average net profit of the Company for the last three financial years	Rs.872.66 lakhs
4.	Prescribed CSR expenditure (Two percent of the amount mentioned in item 3 above)	Rs.17.45 lakhs
5.	Details of CSR spent during the Financial Year	
	a. Total amount to be spent for the financial year	Rs.17.22 lakhs
	b. Amount unspent, if any,	Rs.0.23 lakhs
	c. Manner in which the amount spent during the financial year	As per the table
6.	Reason for not spending the amount earmarked	Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. During the year, the Company has spent about 98.68% of the amount earmarked on the CSR activities. Moving forward, the Company would endeavor to spend the full amount.

Resigned as a Director of the Company w.e.f. 27th March, 2017\$ Appointed as a Member of the Committee w.e.f. 14th May, 2017.

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DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-17

(Rs. In lakhs)

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 or 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	Amount spent on the Projects or Programs Sub-Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure upto the reporting period i.e. FY 2016-17	Amount spent through Implementing Agency
1.	Indian Cancer Society	Health Clause(i)	Mumbai, Maharashtra	1.00	1.00	1.00	1.00
2.	Konkan Education Society	Education Clause (ii)	Alibag, Maharashtra	0.20	0.20	0.20	0.20
3.	Dr.Babasaheb Ambedkar Vaidyakiya Pratishthan	Health Clause(i)	India	1.00	1.00	1.00	1.00
4.	Catalysts for social Action	Clause (iii)	Orphans	0.90	0.90	0.90	0.90
5.	Rotary Foundation (India)	Health Clause(i)	Polio Eradication	0.67	0.67	0.67	0.67
6.	Jeevan Sahas Charitable Trust	Clause (vi)	Gazipur, U.P. Armed Forces	0.20	0.20	0.20	0.20
7.	Friends of Tribals Society	Education Clause (ii)	Madhya Pradesh	10.00	10.00	10.00	10.00
8.	Saurashtra Medical & Educational Charitable Trust	Health Clause(i)	India	0.25	0.25	0.25	0.25
9.	IIT Kanpur (Endowment Fund A/c)	Education Clause (ii)	Kanpur	3.00	3.00	3.00	3.00
	Total			17.22	17.22	17.22	17.22

RESPONSIBILITY STATEMENT

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

Sd/-
Pradeep Goyal
Chairman and Managing Director
DIN:00008370

Sd/-
Neeru Goyal
Chairperson, CSR Committee
DIN: 05017190



ANNEXURE E TO DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

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 31st March, 2017 ('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, 2017 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, 2015;
 - 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; (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);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period) and

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:-

In terms of the requirement of Regulation 47(3) and 47(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, financial results of the Company are required to be published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the entity is situated, within 48 hours of conclusion of Board Meeting, in which financials were approved.

The Audited financial statements for the financial year 2015-2016 were approved in the Board Meeting held on 27th May, 2016. These results were duly published in English newspaper on 29th May, 2016, which is well within the time. However, the said results were published on 31st May, 2016, in Marathi newspaper resulting in a delay of 2 days in complying with the requirements of Regulation 47 (3) & (4) of SEBI (LODR) Regulations, 2015.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For Shweta Gokarn & Co.
Company Secretaries
Ms. Shweta Gokarn
ACS-30393
C.P. No. 11001

Place: Navi Mumbai

Date: May 13, 2017

Note: This report is to be read with our letter of even date which is annexed herewith and forms an integral part of this report.



ANNEXURE TO SECRETARIAL AUDIT REPORT

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

My report of even date is to be read along with this letter. This is to state that:

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- e. Wherever required, I have obtained and relied on the Management 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 of the Company.
- f. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shweta Gokarn & Co.
Company Secretaries
Ms. Shweta Gokarn
ACS-30393
C.P. No. 11001

Place: Navi Mumbai
Date: 13th May, 2017

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ANNEXURE F TO DIRECTORS REPORT

Form No. AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including arm's length transactions under third proviso thereto:

- 1. Details of contracts or arrangements or transactions not at arm's length basis:** Not Applicable
- 2. Details of material contracts or arrangement or transactions at arm's length basis :** Not Applicable

For and on behalf of Board of Directors

Place: Navi Mumbai
Date : 13th May, 2017

sd/-
Pradeep Goyal
Chairman and Managing Director
Din : 00008370

ANNEXURE G TO 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 provides high priority to energy conservation schemes to conserve natural resources. Some of the measures taken are:

- ❑ Replacement of compressed air pipelines to prevent air leakage leading to reduced compressor usage.
- ❑ Well planned preventive maintenance measures improved overall equipment effectiveness.
- ❑ Installation of translucent sheets for natural lights to reduce energy use during the day.
- ❑ In the process of replacing normal lighting with energy efficient LED lamps to reduce power consumption
- ❑ Consumption of Power and Gas is closely monitored to conserve energy.

i. Steps taken by the Company for utilizing alternate sources of energy:

- The Company has invested in a 2.1 MW wind mill to reduce carbon foot print.
- 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
- Technical feasibility study undertaken to install solar panels to tap solar energy.

ii. The capital investment on energy conservation equipments: Nil**B. TECHNOLOGY ABSORPTION :****1. The efforts made towards technology absorption / development:**

- (i) The Company's In-House Research & Development (R&D) is recognized by the Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, New Delhi. Work done under this Centre are:
 - a) A number of R&D efforts were made towards development of different microwave assisted technologies. The Indian patent applied for "Mag-Microwave process for HVGO treatment" bearing number 1616/MUM/2008 was granted on 25th November, 2016 with title "A Batch or Continuous Process for Pre-treatment of Heavy Petro-Bottom Stocks". Few trials jointly conducted at Chennai Petroleum Corporation's R&D center have indicated promising results. Further studies will be undertaken with CPCL in near future.
 - b) Apart from the above, most of the last year's R & D efforts were focused on iron ore and mill scale reduction project for which PML signed an R&D Agreement with Chubu University of Japan. This project entitled "Development of Microwave Assisted Iron Making Process" was submitted to Steel Development Fund (SDF) of Government of India in October 2014 and approval for it was received in the month of July 2016. The design of prototype plant for microwave assisted iron making was conceptualized in the first quarter of 2016. The different modules of this plant were assembled in Japan and PML researchers inspected them and suggested required modifications. The prototype plant in knock-down condition was received at PML on 27th September 2016. R&D team with co-operation of PML's maintenance (mechanical & electrical staff) assembled the pilot plant in a short time of 6 days.
 - c) A joint patent with Chubu University of Japan was filed: "Microwave composite heating furnace". This patent was filed under PCT keeping in mind major steel making countries, namely Japan, India, Russia, Ukraine, South Africa, China, USA, Canada, Brazil, and Australia, in February-March 2017.

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(ii) In the field of forgings, efforts are continuously made to reduce the consumption of raw material by using software for designing the forging tools and using better production processes.

(iii) The Company is continuously developing new products for the customers. During the year, the Company has developed 169 new parts.

2. The benefits derived like product improvement, cost reduction, product development or import substitution :

The processes being developed in the field of Microwave are new and novel in concept. Monetary benefits will be derived through sale and application of technology subsequent to granting of patents. The new iron making process is of national importance and really a game changing technology of near future.

Reduction in use of raw material leads to better yield and lower costs. Development of new parts leads to larger market share, increased competencies in workforce for designing and bringing products to the market.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. Details of technology imported:

Development of Microwave Assisted Iron Making Process is a joint R&D project of PML with Chubu University of Japan under which a new technology of iron making will be jointly developed for converting unusable fine iron ore, lying around Indian iron ore mines, to high cost sponge/pig iron. This process is expected to use only non-coking coal fines (coking process eliminated) and carbon is used only for reduction of iron oxide and not for producing heat for the process. It will reduce energy consumption together with reduction in green-house emission by almost 50%. The microwave assisted furnace design and the components required for establishing prototype plant have been procured from Japan with association of Chubu researchers.

b. The year of import : 2016-17

c. Whether the technology has been fully absorbed-

Under development (jointly with Chubu University)

d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof:

Different microwave generating systems such as magnetrons and klystrons are being established and required infrastructure is being provided especially for cooling and prevention of electrical surges. The latter especially is considered to be critical for these high power microwave generators.

4. The expenditure incurred on Research and Development.

a. Capital Expenditure : Rs. 172.69 lakhs

b. Recurring Expenditure : Rs. 3.04 lakhs

C. Foreign exchange Earnings and Outgo

	Amount
Foreign Exchange earned in terms of Actual Inflows	Rs. 7139.30 lakhs
Foreign Exchange outgo in terms of Actual outflows	Rs. 93.33 lakhs

ANNEXURE H TO DIRECTORS REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

 as on the Financial Year ended on 31st March, 2017

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

I REGISTRATION AND OTHER DETAILS

i)	CIN	L99999MH1982PLC026191
ii)	Registration Date	22 nd January, 1982
iii)	Name of the Company	Pradeep Metals Limited
iv)	Category/ Sub-category	Company having Share Capital
v)	Address of the Registered office and contact details	R-205, MIDC, TTC Industrial Area, Rabale, Navi Mumbai 400 701 Contact Person : Ms. Suchita Singh - Company Secretary & Compliance Officer Email: investors@pradeepmetals.com Tel no. +91-22-27691026
vi)	Whether listed company	Yes (Listed on BSE Limited)
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Maharashtra. Contact Person: Mr. Ajay Jadhav - Team Leader - Investor Relations Registry Email: ajay.jadhav@linkintime.co.in Tel no. +91-22-49186000

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	36.64
2	Components for Valves	29121	42.53

*As per National Industrial Classification - Ministry of Statistics and Programme Implementation

#On the basis of Gross Turnover

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Pradeep Metals Limited Inc.	6930, San Antonio Street, Houston, TX 77040 USA	N. A.	Wholly Owned Subsidiary	100%	2(87)(ii)
2	Dimensional Machine Works, LLC	6930, San Antonio Street, Houston, TX 77040 USA	N. A.	Step-down Subsidiary	51%	2(87)(ii)

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 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2017)				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters									
(1) Indian									
a) Individual/ HUF	2,121,309	200	2,121,509	12.28	2,496,327	0	2,496,327	14.45	2.16
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	9,972,542	0	9,972,542	57.74	9,972,542	0	9,972,542	57.74	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
SUB-TOTAL(A)(1)	12,093,851	200	12,094,051	70.02	12,468,869	0	12,468,869	72.19	2.16
(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
SUB-TOTAL(A)(2)	0	0	0	0	0	0	0	0	0
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+(A)(2)	12,093,851	200	12,094,051	70.02	12,468,869	0	12,468,869	72.19	2.16
B PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	0	9,000	9,000	0.06	0	9,000	9,000	0.06	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) FII's	0	4,100	4,100	0.02	0	4,100	4,100	0.02	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
SUB-TOTAL(B)(1)	0	13,100	13,100	0.08	0	13,100	13,100	0.08	0

**PRADEEP METALS LIMITED**

Category of shareholders	No. of Shares held at the beginning of the year (as on 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2017)				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2 Non-institution									
a) Bodies Corporate									
i) Indian	1,59,117	88,300	2,47,417	1.43	96,647	88,300	1,84,947	1.07	-0.36
ii) Overseas	0	2,30,000	2,30,000	1.33	0	2,30,000	2,30,000	1.33	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to 1 Lakh	12,07,928	469,120	16,77,048	9.71	12,22,361	4,55,720	16,78,081	9.72	0
ii) Individual shareholders holding nominal share capital in excess of 1 Lakh	8,68,648	1,22,400	9,91,048	5.73	11,61,890	1,22,400	12,84,290	7.44	1.69
c) Other Non-Exec. Directors	9,49,000	0	9,49,000	5.50	9,12,300	0	9,12,300	5.29	-0.21
(c-i) Qualified foreign Investor	0	0	0	0	0	0	0	0	0
(c-ii) NRIs (Repat)	4,98,914	1,38,800	6,37,714	3.69	67,631	137,800	205,431	1.19	-2.50
NRIs (Non-Repat)	16,850	0	16,850	0.10	26,850	0	26,850	0.16	0.05
(c-iii) Clearing Member	38,591	0	38,591	0.22	34,656	0	34,656	0.20	-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 ²	0	0	0	0	0	0	0	0	0
(c-vi) Trusts	1000	0	1,000	0	1,000	0	1,000	0	0
(c-ix) HUF	3,74,181	0	3,74,181	2.17	2,30,476	0	2,30,476	1.33	-0.83
SUB-TOTAL(B)(2)	41,14,229	10,48,620	51,62,849	29.89	37,53,811	10,34,220	47,88,031	27.73	-2.17
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	41,14,229	10,61,720	51,75,949	29.97	37,53,811	10,47,320	4,801,131	27.81	-2.17
C SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	1,62,08,080	10,61,920	1,72,70,000	100.00	1,62,22,680	10,47,320	1,72,70,000	100.00	

ii.) Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			
		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	Change in shareholding during the year
1	Rabale Engineering (India) Pvt. Ltd	61,67,481	35.71	0	6,167,481	35.71	0	0
2	S V Shah Construction Services Pvt. Ltd.	38,05,061	22.03	0	3,805,061	22.03	0	0
3	Mr. Pradeep Goyal	15,76,400	9.13	0	1,576,400	9.13	0	0
4	Mrs. Neeru Goyal	5,45,109	3.16	0	9,19,927	5.32	0	2.16
	Total	1,20,94,051	70.03	0	1,24,68,869	72.19	0	2.16

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iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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	5,45,109	3.16	5,45,109	3.16
	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 374,818 Shares vide Transfer dated 25.01.17	2.16	9,19,927	5.32
	At the end of the year			9,19,927	5.32

Inter-se Transfer among Promoters

There were no Inter-se transfers.

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

Sr. No.	Name	Shareholding		Increase/ Decrease in Shareholding @	Reason	Shareholding	
		No. of shares at the Beginning of the year (01.04.2016)	% of total shares of the Company			No. of Shares at the end of the year (31.03.2017)	% of total shares of the Company
1.	Sudhir N	202,948	1.17	Increase	Buy	236,244	1.36
2.	Om Global Singapore PTE Ltd.	2,30,000	1.33	No Change	NA	2,30,000	1.33
3.	Navinkumar Marwah	161	0.00	Increase	Buy	1,73,959	1.00
4.	Kalpana S	1,56,185	0.90	Decrease	Sale	1,44,336	0.83
5.	Navin Kumar Marwah (HUF)	2,12,498	1.23	Decrease	Sale	1,00,498	0.58
6.	Ramesh Damani	87,100	0.50	No Change	NA	87,100	0.50
7.	Laxmi Devi Madangopal Damani	69,223	0.40	Increase	Buy	74,183	0.42
8.	MLR Investors Pvt. Ltd.	70,000	0.40	No Change	NA	70,000	0.40
9.	Rajnish Rampaul Khanna	18,298	0.10	Increase	Buy	54,229	0.31
10.	Savita Aggarwal	4,74,818	2.75	Decrease	Transfer	50,000	0.28
11.	Marwadi Shares and Finance Limited #	20,045	0.11	Decrease	Sale	3,979	0.02
12.	Ponika Multitrade #	50,000	0.28	Decrease	Sale	0	0.00

NOTES:

Ceased to be in the list of Top 10 shareholders as on 31st March, 2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 1st April, 2016.

@ The shares of the Company are traded on daily basis and hence the date wise increase/ decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

**v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding at the end of the year 31.03.2017	
		No. of shares at the Beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A. DIRECTORS								
1.	Mr. Pradeep Goyal	15,76,400 15,76,400	9.13 9.13	01.04.16 31.03.17	- -	Nil movement during the year	15,76,400	9.13
2.	Mrs. Neeru Goyal	5,45,109 9,19,927	3.16 5.32	- 25.01.17 31.03.17	- 3,74,818	Transfer (Gift)	9,19,927	5.32
3.	Mr. Omprakash Agarwal	13,300 13,300	0.07 0.07	01.04.16 31.03.17	- -	Nil movement during the year	13,300	0.07
4.	Dr. Kewal K. Nohria	9,26,700	5.36	15.09.16 16.09.16 19.09.16 20.09.16 25.10.16 26.10.16 27.10.16 28.10.16 06.03.17 10.03.17 15.03.17 16.03.17 17.03.17 23.03.17 28.03.17 29.03.17 31.03.17 31.03.17	3,830 2,022 3,148 1,000 2,300 2,001 1,000 1,399 500 1,400 501 1,510 1,376 2,827 7,994 1,056 2,836	Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale	8,90,000	5.15
5.	Mr. Raj Kumar Mittal	9,000 9,000	0.05 0.05	01.04.16 31.03.17	- -	Nil movement during the year	9000	0.05
6.	Mr. Suresh G. Vaidya	- -	- -	01.04.16 31.03.17	- -	Nil movement during the year	0	0
7.	Mr. Rajeev D. Mehrotra*	- -	- -	01.04.16 31.03.17	- -	Nil movement during the year	0	0
8.	Mr. Jaidev Shroff	- -	- -	01.04.16 31.03.17	- -	Nil movement during the year	0	0
9.	Mr. Rakesh Agarwal	- -	- -	01.04.16 31.03.17	- -	Nil movement during the year	0	0
10.	Mr. Dilip Dalvi**	400 400	0.00 0.00	01.04.16 31.03.17	- -	Nil movement during the year	400	0
11.	Ms. Suchita Singh	- -	- -	01.04.16 31.03.17	- -	Nil movement during the year	0	0

* Resigned as a Director of the Company w.e.f. 27th March 2017.** Ceased to be KMP w.e.f. 8th November 2016.

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V. INDEBTEDNESS

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

Amount (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	7224.63	-	-	7224.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.58	-	-	5.58
TOTAL(i+ii+iii)	7230.21	-	-	7230.21
Change in Indebtedness during the Financial year				
Addition	1,177.96	-	-	1,177.96
Reduction	346.35	-	-	346.35
Net Change	831.61	-	-	831.61
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	8054.18	-	-	8054.18
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.63	-	-	7.63
TOTAL(i+ii+iii)	8061.81	-	-	8061.81

 **PRADEEP METALS LIMITED**

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Pradeep Goyal Chairman and Managing Director		
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	0.00		0.00
2	Stock Option	N.A.		N.A.
3	Sweat Equity	N.A.		N.A.
4	Commission	N.A.		N.A.
	- as % of profit	N.A.		N.A.
	- others	N.A.		N.A.
5	Others	0.00		0.00
	TOTAL(A)	84.40		84.40
	Ceiling as per the Act	The Company has received approval vide SRN.C31189834/3/2015-CL-VII dated 02.11.2015 from Central Government for payment of Rs.1,09,57,867/- p.a. for the period from 17.12.2014 till 16.12.2015 and Rs.1,17,46,000/- p.a. for a period from 17.12.2015 to 16.12.2017.		

B. Remuneration to other Directors:

(Rs. in Lakhs)

Particulars of Remuneration	Name of Directors							Total Amount
	Kewal Nohria	Raj Kumar Mittal	Suresh Vaidya	O. P. Agarwal	Rajeev Mehrotra	Jaidev Shroff	Neeru Goyal	
Independent Directors								
- Fee for attending Board/ Committee meetings	-	1.10	1.10	-	0.60	0.25	-	3.05
- Commission	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
TOTAL (1)	-	1.10	1.10	-	0.60	0.25	-	3.05
Other Non-Executive Directors								
- Fee for attending Board/ Committee meetings	0.50	-	-	0.60	-	-	0.45	1.55
- Commission	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
TOTAL (2)	0.50	-	-	0.60	-	-	0.45	1.55
GRAND TOTAL (1+2)	0.50	1.10	1.10	0.60	0.60	0.25	0.45	4.60
Total Managerial Remuneration (A+B)	84.40							
Overall Ceiling as per the Act	117.46 @							

In terms of the provisions of Section 197(2) of the Companies Act, 2013, sitting fees paid to Non-Executive Directors are not considered in computation.

@ The Company has received approval vide SRN.C31189834/3/2015-CL-VII dated 02.11.2015 from Central Government for payment of Rs.1,09,57,867/- p.a. for the period from 17.12.2014 till 16.12.2015 and Rs.1,17,46,000/- p.a. for a period from 17.12.2015 to 16.12.2017.

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C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Personnel other than MD/WTD/Manager #			Total Amount
		Dilip Dalvi Dy. CFO *	Rakesh Agarwal CFO **	Suchita Singh Company Secretary ***	
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.76	11.83	5.31	20.90
	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	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
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	0	0	0	0
	TOTAL	3.76	11.83	5.31	20.90

Associated with the Company / position for part of the year hence, the same is not comparable.

* for the period from 27th May, 2016 till 8th Nov, 2016

** appointed as CFO w.e.f. 8th Nov, 2016

*** appointed as CS w.e.f. 16th July, 2016

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during the FY 2016-17.

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

1. GLOBAL ECONOMY

Global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing and trade. It needs to be supported by current and expected fiscal initiatives. Oil prices have increased, though marginally, reflecting an arrangement among major producers to trim supply. Advanced economies continue to struggle with subdued growth and low inflation in a context of increased uncertainty about policy direction, tepid investment, and sluggish productivity growth. Activity decelerated in the United States and to a lesser degree, in some other major economies. WTO has forecasted that Global trade will expand by 2.4% in 2017 as compared to 1.3% in 2016 and it is forecasting trade growth between 2.1% to 4% in 2018.

2. INDIAN ECONOMY

India has witnessed two major economic reforms in terms of demonetization of the currency on 8th November, 2016 and the Government's resolve to introduce Goods & Service Tax (GST) from 1st July, 2017. While the demonetization is expected to speed up digitalisation of the Indian economy, GST is expected to result in improvement in logistics and faster movements of goods on one side and indirect tax reforms on the other side.

India's Engineering Exports registered 11.3% growth in FY 2016-17 and the second highest monthly growth in March, 2017. The rate of India's economic growth moderated to 7.1% in 2016-17, with the manufacturing sector more sluggish, owing to weaker domestic demand, rising input costs and subdued bank credit. The unexpected demonetization weighed down economic conditions in late 2016 and early 2017 because of consequential liquidity crunch. The impact of demonetization on economy is expected to be transient, a slower than expected recovery would particularly diminish the outlook for cash intensive sectors and supply chains. The World Bank has projected India to expand by 7.2% in the current Financial Year, as "re-monetization" restores consumption, infrastructure spending increases and the country reaps the benefits of reforms of GST scheduled to be rolled out from 1st July, 2017.

3. BUSINESS ENVIRONMENT:

Custom forging accounts for the largest segment of the forging business. Automobile, aerospace, defence, railways, agriculture, construction, mining, general industrial equipment and material handling equipment are some of the major end-users of the forging products. The forging products are being increasingly used due to their reliability, strength and economic feasibility. Impression die forging method is one of the most dominant type of technology being used in the market and is also termed as closed die forging. This method is most widely used in commercial forging processes due to its extreme dimensional accuracy and fine surface finish. With the automobile sector already matured, forging industries are also exploring other sectors.

4. BUSINESS SNAPSHOT

Pradeep Metals Limited (PML / Company) generates over 1 billion rupees in annual sales through its products ranging from intricate closed die stainless, alloy and carbon steel forgings as raw, finished and semi-finished machined components.

It currently serves following industry verticals:

- Instrumentation & flanges
- Valve Components
- General engineering.

Major customers are located in India, USA, UK, Singapore, Sweden, Denmark, France, Germany, Mexico and Argentina.

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

PML uses an in-house metallurgical 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. PML is certified to ISO 9001:2008 standards for twenty one consecutive years and Pressure Equipment Directive 97/23/EC (PED) for over twelve years. It has received award for **Star Performer** in Category of Steel Forgings (Medium Scale) from Engineering Export Promotion Council (EEPC) for the year 2014-15. PML continues to improve its capabilities to serve highly demanding markets to maintain our niche position in the industry.

PML has been concentrating on exports for a long term and exporting 65% to 70% of its finished goods. It has received ISO 14001, OHSAS 18001, Marine & Norsok certifications, which are available on the website of the Company.

5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (On Standalone basis)

Financial performance of the Company is summarised below:-

(Rs. in lakhs)

	FY 2016-17	FY 2015-16	Change in %
Total Income (Net)	12,319.61	12,084.24	1.95%
Exports	7,567.00	7,563.60	0.04%
Domestic Sales	4,354.60	4,130.12	5.44%
Income from Windmill	227.28	216.00	5.22%
EBITDA	1,726.80	1,579.59	9.32%
Profit before tax and prior period adjustments	794.94	533.40	49.03%
Profit after tax	517.36	375.55	37.76%

- Total income has recorded a modest growth of 1.95% over the previous year. It is attributable to slow down in global economy and decline in sales realization during the year. The Company has been able to maintain nominal growth in value terms due to increase in quantity of finished products produced by 6.21%.
- Profit before taxes (before prior period items) for the year has improved by 49.03% and Profit after taxes by 37.76%. It has been possible due to astute production planning and control on the wastages and expenditure, wherever feasible.

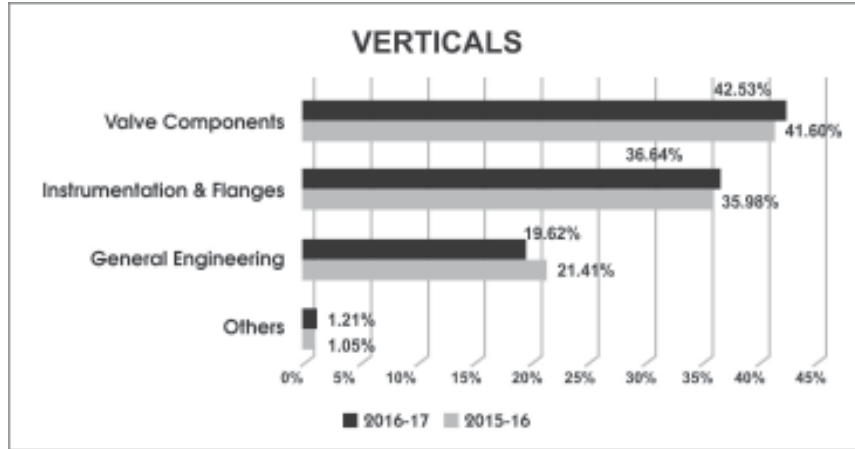
The markets for forgings and machined products witnessed contraction of demand globally due to absence of new investments in manufacturing and oil processing sectors. Capex worldwide was substantially low because of global volatility in oil prices and depressed economic conditions in USA, Europe and other countries. However, the situation is now improving and revival of the industries of the economy is visible. PML is getting inquiries from its existing customers for development of new products and number of new customers have shown interest in starting business relationship.



PML is also focusing on orders for machined components which are high value added products, thereby generating more contribution.

6. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The chart below show the business mix of various industries served by the Company:-



7. FUTURE OUTLOOK

PML is expecting a revival in demand after a prolonged slowdown in the markets. Demand from exports and diversification into sectors such as Defence and Railways are expected to drive sales.

PML's focus on niche OEM market continues to provide for long term success. It has developed many new components in the year 2016-17 which is expected to result in improved business in the following years. It has also won several new e-auction bids for new locations of customers and commenced sales in the current financial year. PML has also started drive towards further value addition by providing sub-assemblies to its esteemed customers. This will be the focus area in the coming years.

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

8. OPPORTUNITIES AND THREATS

Opportunities

- Defence sector has opened up to private sector participation both for foreign and domestic players. This may result in several Joint Ventures.
- MAKE IN INDIA initiative is working towards relaxing of regulations, reduce complex procedures and ease out the business procedures.
- Manufacturers of forgings are shutting doors in developed nations providing opportunities for emerging nations to pick up the slack.
- Increased demand for quality products.
- Implementation of GST is expected to increase inflow of Foreign Direct Investment in the country.

Threats

- Additive manufacturing techniques are the need of time for the production of metallic parts and

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forging companies need to be alert and think of suitable counter strategies.

- Providing quality products at reduced prices with constant increase in manufacturing costs, fuel and manpower are a big hurdle in the growth and profitability of the Company.
- Threats from low cost global manufacturers with large capacities and introduction of automated processes by the resurgent Europeans and Americans, which are not affordable by low cost countries.
- Retention of skilled and unskilled manpower is a challenge, as the global demand of people in the forging industry has increased.

9. RISKS AND AREAS OF CONCERN

In today's dynamic business environment 'Risk Management' is an essential function to have a sustainable & effective business model in place. PML has a Risk Management Policy and implemented risk mitigation measures, wherever needed. The Audit / Risk Management Committee reviews the Risk Management Policy, monitors its implementation and initiates proper steps / actions. A discreet risk management framework has been developed and a careful approach is undertaken to identify and analyze internal and external risks and minimize their impact on operations. A comprehensive framework has been developed to identify, monitor and mitigate various risk elements in accordance with the risk management process.

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

PML has a sound internal control system, which ensures that (a) its financial reports are reliable, (b) its operations are effective and efficient, and (c) its activities comply with applicable laws and regulations. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by the Management. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and tracks the implementation of corrective actions. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit reports are submitted to the Chairman of the Audit Committee. Audit Committee plays a key role in providing assurance to the Board of Directors.

11. HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

The primary objective of Human Resource (HR) is to attract and retain talent with requisite competencies. Effective Human Resource Management enables employees to contribute effectively and productively to the overall company growth and the accomplishment of the organization's goals and objectives. The Human Resource Management of our organization deals with and provides leadership and advice for dealing with all issues related to the people in the organization. They also help in attaining maximum individual development and desirable working relationship. PML provides in-house training to its employees and also sends them for obtaining training from various organizations.

PML has constituted Anti Sexual Harassment Committee and there is a policy in place, to address issues pertaining to female employees. It had a total of 290 permanent employees as on 31st March, 2017.

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. PML 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

The detailed report on Corporate Governance for the financial year ended 31st March, 2017 as per Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), in the prescribed format is given as under:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Pradeep Metals Limited ('PML / the Company') 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.

➤ GOVERNANCE STRUCTURE

The Company'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 a value addition for its Stakeholders. In line with these principles, the Company has formed two tiers of Corporate Governance Structure, viz.

a) The Board of Directors

b) Committees of Board of Directors

➤ The Company has adopted a Code of Conduct for its Board of Directors including Independent Directors and Senior Management personnel, which is on the website of the Company <http://www.pradeepmetals.com/policies>

➤ The Company has complied with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of a fair combination of Executive, Non-Executive and Independent Directors with diverse professional background complying with the provisions of the Companies Act, 2013 and the Listing Regulations.

As on 31st March, 2017, the Company has 7 (Seven) Directors. Of the Seven Directors, 1(One) is Executive Director, 6(Six) are Non-Executive Directors, of which 3(Three) are Independent Directors. The Chairman of the Company is an Non-Executive Director and also the Managing Director. Except Chairman and Managing Director and Independent Directors, all other Non-Executive Directors are liable to retire by rotation. The Board in its meeting held on 13th May, 2017, appointed Mr. Jayavardhan Dhar Diwan as an Additional Director, in the capacity of Independent and Non-Executive Director.

The Non-Executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of industry, business management, finance & taxation, 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. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act.

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➤ Composition and category of Directors, other Directorships and Committee Memberships

Name of Director	DIN	Category		Number of Shares Held
Mr. Pradeep Goyal	00008370	Promoter Director	Executive Director / Chairman and Managing Director	15,76,400
Mrs. Neeru P. Goyal	05017190	Promoter Director	Non-Executive & Non-Independent Director	9,19,927
Dr. Kewal K. Nohria	00060015	Non-Promoter Director	Non-Executive & Non-Independent Director	8,90,000
Mr. Omprakash Agarwal	00022796	Non-Promoter Director	Non-Executive & Non-Independent Director	13,300
Mr. Suresh G. Vaidya	00220956	Non-Promoter Director	Non-Executive & Independent Director	Nil
Mr. Raj Kumar Mittal	00020255	Non-Promoter Director	Non-Executive & Independent Director	9,000
Mr. Rajeev D. Mehrotra #	00198137	Non-Promoter Director	Non-Executive & Independent Director	Nil
Mr. Jaidev R. Shroff	00191050	Non-Promoter Director	Non-Executive & Independent Director	Nil
Mr. Jayavardhan Dhar Diwan \$	01565319	Non-Promoter Director	Additional Director (Non-Executive & Independent)	Nil

Resigned as a Director of the Company w.e.f. 27th March, 2017.

\$ Appointed as an Additional Director w.e.f. 13th May, 2017.

Notes:

- a. Mr. Suresh G. Vaidya, Mr. Raj Kumar Mittal and Mr. Jaidev R. Shroff were appointed as Independent Directors for a period of 5 years from 31st AGM held on 4th September, 2014 till 36th AGM to be held in the year 2019 and they are not liable to retire by rotation.
- b. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Omprakash Agarwal retires by rotation and being eligible, offers himself for re-appointment.
- c. The Board of Directors, in its meeting held on 13th May, 2017, approved re-appointment of Mr. Pradeep Goyal as the Chairman and Managing Director of the Company for a period of 3 years w.e.f 17th December, 2017 till 16th December 2020, subject to necessary approval of the Members at the ensuing AGM.

➤ 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.
- The Company held Five (5) Board Meetings during the financial year ended 31st March, 2017. The gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.
- During the FY 2016-17, information as mentioned in Schedule II Part A of the SEBI Listing Regulations has been placed before the Board for its consideration.
- The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company www.pradeepmetals.com.
- In terms of Regulation 25 of the Listing Regulations and Schedule IV to the Companies Act, 2013, the Independent Directors met on 16th March, 2017, without the presence of Non-Independent Directors or Members of Management. The Independent Directors *inter-alia*, reviewed performance of Directors,

PRADEEP METALS LIMITED

Chairman of the Company and Board / Committee. All the Independent Directors attended the Meeting.

- The Board periodically reviews the Compliance of all laws applicable to the Company.

➤ **Details of Board Meetings (BM) held during the year:**

Dates of Board Meeting	27.05.16	16.07.16	06.08.16	08.11.16	24.01.17
Boards Strength	8	8	8	8	8
No. of Directors Present	6	5	6	6	8

The Company Secretary acts as a Secretary to all Board Meetings.

➤ **Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting, number of other Board Directorship or Committees in which a Director is a Member or Chairperson**

Name of Director	Attendance in Board Meeting	Attendance in last AGM	Other Directorship and Committee Membership / Chairmanship				Relationships with other Directors
	Meetings Held/ Meetings Attended		Board Directorship (incl. Chairmanship)	Board Chairmanship*	Committee Membership (incl. Chairmanship)**	Committee Chairmanship**	
Mr. Pradeep Goyal	5/5	Present	3	Nil	6	2	Husband of Mrs. Neeru P. Goyal
Mrs. Neeru Goyal	5/4	Present	Nil	Nil	Nil	Nil	Wife of Mr. Pradeep Goyal
Dr. Kewal K. Nohria	5/2	Absent	7	4	10	3	-
Mr. Omprakash Agarwal	5/5	Present	Nil	Nil	Nil	Nil	-
Mr. Suresh G. Vaidya	5/5	Present	1	Nil	1	1	-
Mr. Raj Kumar Mittal	5/5	Present	1	Nil	1	1	-
Mr. Rajeev D. Mehrotra #	5/3	Present	Nil	Nil	Nil	Nil	-
Mr. Jaidev R. Shroff	5/2	Absent	5	Nil	Nil	Nil	-
Mr. Jayavardhan Dhar Diwan\$	NA	NA	NA	NA	NA	NA	NA

* Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

** Only Audit and Stakeholders' Relationship Committee of Indian Public Limited Companies have been considered for the Committee positions.

Resigned as a Director of the Company w.e.f. 27th March, 2017.

\$ Appointed as an Additional Director w.e.f. 13th May, 2017.

➤ **Details of familiarisation programme of the Independent Directors**

During the FY 2016-17 Company had organized two in-house familiarization programs for the Independent Directors, details of which are as under:

Sr. No.	Date of Programme	Area Covered	Duration
1	8 th November, 2016	a) Indian Accounting Standards b) Income Computation & Disclosures Standards prescribed under Income Tax Act	2 Hours
2	24 th January, 2017	Goods & Service Tax Act	2 Hours

The details of familiarisation programs to the Independent Directors are also available on the website of the Company i.e. <http://www.pradeepmetals.com/policies>

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3. COMMITTEES OF THE BOARD

The Board has Five Committees as on 31st March, 2017 : Audit Committee, Nomination and Remuneration Committee, Shareholders'/ Investors Grievance Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

➤ **COMPOSITION OF COMMITTEES OF THE BOARD:**

Name of Director	Committees of the Board				
	Audit Committee	Nomination & Remuneration Committee	Shareholders'/ Investors' Grievance Committee	Corporate Social Responsibility Committee	Risk Management Committee @
Mr. Pradeep Goyal	-	-	-	-	Y
Mrs. Neeru Goyal	-	-	-	Y	-
Dr. Kewal K. Nohria	Y	Y	Y	-	Y
Mr. Omprakash Agarwal	-	-	Y	-	-
Mr. Suresh G. Vaidya	Y	Y	Y	-	-
Mr. Raj Kumar Mittal	Y	Y	-	Y	Y
Mr. Rajeev D. Mehrotra #	-	Y	-	Y	Y
Mr. Jaidev R. Shroff	-	-	-	-	-
Mr. Jayavardhan Dhar Diwan \$	-	Y	-	Y	-

Resigned as a Director of the Company w.e.f. 27th March 2017.

\$ Appointed as the Chairman of Nomination & Remuneration Committee and Member of CSR Committee w.e.f. 14th May, 2017.

@ The Risk Management Committee has been dissolved w.e.f. 13th May 2017.

4. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's Financial Reporting process with a view to ensuring accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

➤ **Brief description of terms of reference:**

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by them;
- (iv) Reviewing, with the Management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement which forms part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion in the draft audit report.
- (v) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- (vi) Reviewing, with the Management, the statement of uses / application of funds raised through



- an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditors' independence and performance, and effectiveness of audit process;
 - (viii) Approval or any subsequent modification of transactions of the Company with the related parties;
 - (ix) Scrutiny of inter-corporate loans and investments;
 - (x) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (xi) Evaluation of Internal Financial Controls and Risk Management Systems;
 - (xii) Reviewing, with the Management, performance of Statutory and Internal Auditors and adequacy of the Internal Control Systems;
 - (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (xiv) Discussion with internal auditors of any significant findings and follow up thereon.
 - (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - (xvi) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (xviii) To review the functioning of the whistle blower mechanism;
 - (xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
Explanation: The terms "related party transactions" shall have the same meaning as provided in the SEBI Listing Regulations.
 - (xxi) To review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.
 - (xxii) The Audit Committee mandatorily reviews the following :
 - a. Management Discussion and Analysis of financial condition and results of operations;
 - b. statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal Audit Reports relating to Internal Control Weaknesses;
 - e. the appointment, removal and terms of remuneration of the Chief Internal Auditor, if any;
 - f. statement of deviations, if any;
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Powers of the Audit Committee

The Audit Committee has following powers:

- (i) To investigate any activity within its term of reference.
- (ii) To seek information from any employee.

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- (iii) To obtain outside legal or other professional advice.
- (iv) To secure attendance of the outsiders with relevant expertise, if it considered necessary.

➤ **Composition of Audit Committee (AC) and attendance of Members.**

Name of Director	Designation	Audit Committee Meetings (2016-2017)				
		27.05.16	16.07.16	06.08.16	08.11.16	24.01.17
Mr. Raj Kumar Mittal	Chairman	Present	Present	Present	Present	Present
Dr. Kewal K. Nohria	Member	Absent	Absent	Present	Absent	Present
Mr. Suresh G. Vaidya	Member	Present	Present	Present	Present	Present

The Company Secretary acts as a Secretary to all AC Meetings.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of the Listing Regulations, read with Section 178 of the Companies Act, 2013. 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.

➤ **Brief description of terms of reference/ role:**

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- (ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- (iii) Devise a policy on diversity of Board of Directors.
- (iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- (v) Recommend to the Board the appointment or reappointment of Directors and whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation.
- (vi) Periodical review of the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- (vii) Review HR Policies / Initiatives.
- (viii) Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally, the Committee may also oversee the performance review process of the KMP and Executive team of the Company.
- (ix) On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to Executive Team or Key Managerial Personnel of the Company.
- (x) Providing of the following information to the shareholders in case of appointment of New Director or re-appointment of a Director:
 - a. Brief resume of the Director;
 - b. Nature of expertise in specific functional areas;
 - c. Disclosure of relationships between Directors *inter-se*;
 - d. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board; and
 - e. Shareholding of Non-Executive Directors
- (xi) Oversee familiarization programme for Directors.

- (xii) Provide guidelines for remuneration of Directors on material subsidiaries.
- (xiii) Performing such other duties and responsibilities in consistence with the regulatory requirements.

➤ **Composition of Nomination & Remuneration Committee (NRC) and Attendance of Members**

Name of Director	Designation	Nomination & Remuneration Committee Meetings (2016-17)			
		27.05.16	16.07.16	06.08.16	24.01.17
Mr. Rajeev Mehrotra #	Chairman	Present	Present	Absent	Present
Dr. Kewal K. Nohria	Member	Absent	Absent	Present	Present
Mr. Raj Kumar Mittal	Member	Present	Present	Present	Present
Mr. Suresh G. Vaidya	Member	Present	Present	Present	Present
Mr. Jayavardhan Dhar Diwan \$	Chairman	NA	NA	NA	NA

Resigned as a Director of the Company w.e.f. 27th March, 2017.

\$ Appointed as the Chairman of the Committee w.e.f. 14th May, 2017.

The Company Secretary acts as a Secretary to all NRC Meetings.

➤ **Performance evaluation criteria for Independent Directors**

Performance evaluation of all Directors (including Independent Directors) was done on the basis of a structured questionnaire prepared in line with the Guidance Note issued by SEBI vide its circular dated 5th January, 2017.

6. REMUNERATION OF DIRECTORS

➤ **Remuneration to Chairman and Managing Director/Executive Director**

The remuneration to be paid to the Chairman and Managing Director/Whole-time Directors etc. are governed as per the provisions of the Companies Act, 2013 and rules made thereunder 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 Chairman and Managing Director, based on the performance of the Company. Although the profitability of the Company has improved during the year, the Incentive Pay to the Chairman and Managing Director for the year was not considered in order to conserve resources.

➤ **Remuneration to Non- Executive/ Independent Directors:**

The Non-Executive/Independent Directors 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 from time to time.

Pursuant to the provisions of earlier Clause 49(II)(C) of the amended Listing Agreement with the BSE Limited and applicable provisions of the Companies Act, 2013, based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Members of Company, on 4th September, 2014, had accorded their consent for payment of commission to the Directors of the Company (other than the Directors who are either in whole time employment of the Company or belong to the Promoters' Group) annually for each of the five financial years commencing from financial year 2014-15, an amount not exceeding 1% (one percent) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act, 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 payment of commission was to be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings. However,

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in view of the need to conserve resources, commission/incentive pay was not paid to the Directors during the financial year 2016-17.

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.

➤ **Pecuniary relationship or transactions of Non-Executive Directors**

During the year under review, there was no pecuniary relationship and transactions of any Non-Executive Directors with the Company.

➤ **Details of remuneration to the Non-Executive/Non-Independent/Independent Directors during the year 2016-17 are given below:**

Name	Sitting Fees (Rs.)	Commission	Total (Rs.)
Mrs. Neeru P. Goyal	45,000	Nil	45,000
Dr. Kewal K. Nohria	50,000	Nil	50,000
Mr. Omprakash Agarwal	60,000	Nil	60,000
Mr. Suresh G. Vaidya	110,000	Nil	110,000
Mr. Raj Kumar Mittal	110,000	Nil	110,000
Mr. Rajeev D. Mehrotra #	60,000	Nil	60,000
Mr. Jaidev R. Shroff	25,000	Nil	25,000
Mr. Jayavardhan Dhar Diwan \$	NA	NA	NA

Resigned as a Director of the Company w.e.f. 27th March, 2017.

\$ Appointed as an Additional Director w.e.f. 13th May, 2017.

Notes:

- The Company currently has no Stock Options for its Directors.
- In FY 2016-17, the Company did not advance any loan to any of the Directors.

➤ **Details of remuneration to the Chairman and Managing Director (CMD) during the year 2016-17 are given below:**

Name of the Director	Salary Rs.	Benefits Rs.	Incentive Pay	Total Rs.	Service Contract/ Notice Period/ Severance fees/ Pension
Mr. Pradeep Goyal	84,00,000	39,600	Nil	84,39,600	Appointed for a period of 3 years, i.e. from 17 th December, 2014 to 16 th December, 2017 There is no Notice Period, Severance Fees and Pension.

Notes:

- The Company has received approval vide letter No. SRN.C31189834/3/2015-CL-VII dated 02.11.2015 from Central Government wrt appointment of Mr. Pradeep Goyal as CMD on following terms:
 - a) Rs. 1,09,57,867/- for a period from 17.12.2014 to 16.12.2015
 - b) Rs. 1,17,46,000/- p.a. for a period of two years from 17.12.2015 to 16.12.2017.

7. SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

The Shareholders' / Investors Grievance Committee (SIGC) is constituted in line with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Companies Act, 2013. The Board has constituted Shareholders' / Investors Grievance Committee consisting of 3 Directors of which 2 are Non-Executive / Non Independent Directors and 1 Independent Director, to look into redressal of grievances of shareholders, including complaints for transfer, transmission, non-receipt of declared dividends / annual report etc. The Committee also looks into matters which can facilitate better investor's service and relations.

➤ **Composition of Committee**

Name of Director	Designation
Mr. Omprakash Agarwal	Chairman
Dr. Kewal K. Nohria	Member
Mr. Suresh G. Vaidya	Member

The Company Secretary acts as a Secretary to all SIGC Meetings.

Ø **Compliance officer**

Name of the Compliance Officer	Ms. Suchita Singh, Company Secretary
Contact Details	Pradeep Metals Limited R-205, MIDC, Rabale, Navi Mumbai - 400701. Tel: +91-22-27691026
E-mail ID	investors@pradeepmetals.com

➤ **Details of Complaints:**

Number of Shareholders' Complaints received during the year	Number not solved to the satisfaction of shareholders	Number of pending complaints
19	Nil	Nil

8. GENERAL BODY MEETINGS

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

Financial Year:	2013-14	<ul style="list-style-type: none"> ▪ 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. 17th December, 2014 to 16th December, 2017. ▪ Authority for borrowing monies in excess of paid up capital and free reserves of the Company but not exceeding Rs. 150 Crores. ▪ Authority for creation of charges/ mortgages etc. on the properties of the Company for an amount not exceeding Rs. 150 Crores. ▪ Authority to the Board of Directors to enter into contracts and supply goods and services to Pradeep Metals Ltd Inc, USA, 100% subsidiary of the Company to the extent of Rs. 20 Crores in any financial year.
Date and Time:	4 th September, 2014 at 12.30 pm	
Venue:	Monarch Banquets, Plot No. 110/111, MIDC, Rabale, Navi Mumbai 400701	
Financial Year:	2014-15	<ul style="list-style-type: none"> ▪ 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
Date and Time:	11 th September, 2015 at 02.00 pm	
Venue:	Monarch Banquets, Plot No. 110/111, MIDC, Rabale, Navi Mumbai 400701	
Financial Year:	2015-16	Nil
Date and Time:	29 th September, 2016 at 03.00 pm	
Venue:	Monarch Banquets, Plot No. 110/111, MIDC, Rabale, Navi Mumbai 400701	

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- **Details of Special Resolutions put through Postal Ballot during last year along with voting pattern:**
No resolution was passed through Postal Ballot, during the year.
- **Details of the Special Resolution proposed to be conducted through postal ballot:**
The Company does not propose to pass any Resolution through postal ballot at the time of ensuing Annual General Meeting.
- **The Procedure for postal Ballot:**
Not Applicable.

1. MEANS OF COMMUNICATION

- **Quarterly Results:**
The quarterly, half yearly and yearly financial results of the Company are sent to BSE Limited where the shares of the Company are listed, immediately after they are approved by the Board.
- **Publication of quarterly results:**
The quarterly, half yearly and annual results are published by the Company in the Marathi and English edition of Mumbai Lakshdeep and Financial Express / Asian Age respectively.
- **Website Disclosures:**
The Company's website www.pradeepmetals.com contains all important public domain information and also the financial results of the Company.
- **Official News Releases on Website:**
All financial and other vital official news releases are also communicated to BSE Limited, besides being placed on the Company's website. The Company also publishes the Annual Report, shareholding pattern on its website <http://www.pradeepmetals.com/reports.html>
- **Presentation made to institutional investors or to the analysts:**
The Company has not made any presentations to institutional investors or to the analysts during the year under review.

2. GENERAL SHAREHOLDER INFORMATION

1. **Day, Date, Time & Venue of Annual General Meeting:**

The 34th 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 Monday, 21st August, 2017 at 3.00 p.m.

2. **a. Financial Year of the Company:** 1st April to 31st March every year.

b. Financial Calendar for FY 2017-18

Results for the quarter ending:	To be published:
Q1 – June 30, 2017	On or before September 14, 2017
Q2 – September 30, 2017	On or before December 14, 2017
Q3 – December 31, 2017	On or before February 14, 2018
Q4 – March 31, 2018	On or before May 30, 2018

3. **Dividend Payment Date:**

The Board has not recommended any Dividend for the FY 2016-17.

4. **Date of Book Closure:**

Monday, 14th August 2017 till Sunday, 20th August 2017 (both days inclusive).

5. **Listing on Stock Exchange:** The Equity Shares of the Company are listed on BSE Limited. The Company has paid Annual Listing Fee for the financial year 2017-18.

6. **Stock Exchange Code (Equity):**

Stock Exchange	Scrip Code	ISIN
BSE Limited (BSE)	513532	INE770A01010

7. Stock Market price Data:

Table below gives the monthly high and low prices and volumes of trading of Equity shares of the Company at BSE Limited (BSE) for the year 2016-17:

Month	High (Rs.)	Low (Rs.)	Volume
April 2016	52.95	48.00	61,302
May 2016	56.50	39.90	38,208
June 2016	49.00	39.05	34,494
July 2016	53.40	42.25	31,829
August 2016	47.50	39.70	63,871
September 2016	47.20	39.00	40,105
October 2016	55.50	41.80	76,206
November 2016	55.50	43.20	80,831
December 2016	62.80	43.30	189,818
January 2017	73.25	57.50	165,604
February 2017	70.00	58.50	35,848
March 2017	69.90	58.35	128,279

8. Company's Performance in comparison to broad-based indices (BSE Sensex);



9. Registrar and Share Transfer Agent

Link Intime India Private Limited
 C-101, 247 Park, L.B.S. Marg,
 Vikhroli (W), Mumbai 400 083.
 Contact No.: +91-22-4918 6270; (Fax) +91-22-4918 6060
 Email: rnt.helpdesk@linkintime.co.in

10. Share Transfer System

Presently, the share transfers which are received in physical form are processed, registered and returned by Registrar and Share Transfer Agent within 15 days from the date of receipt of documents, provided the documents are found in order. Shares under objection are returned within 15 days. The Company obtains from a Practicing Company Secretary a half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the erstwhile Listing Agreement with the Stock Exchanges or Regulation 40(9) of the Listing Regulations and files a copy of the Compliance certificate with the BSE Limited.

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11. Distribution of Shareholding as on 31st March, 2017

A. Distribution of shares according to size of holding

No. of Equity Shares held	No. of Shareholders	Share Amount (Rs.)	% of Shareholding
Upto 500	5,002	72,47,440	4.20
501-1000	356	30,37,460	1.76
1001-2000	189	27,17,990	1.57
2001-3000	59	15,31,710	0.89
3001-4000	36	12,62,790	0.73
4001-5000	28	13,28,900	0.77
5001-10000	40	29,75,850	1.72
10001 and above	51	152,597,860	88.36
Total	5,761	172,700,000	100.00

B. Pattern of Shareholding by categories of shareholders

Category	No. of Shares	% of Total Shares
Promoters	1,24,68,869	72.19
Mutual Funds and UTI	9,000	0.05
Banks/FIs/Insurance Co.(Central/State Govt./Non-Govt. Institutions)	0	0.00
Foreign Portfolio Investors	4,100	0.02
Corporate Bodies	1,84,947	1.07
Foreign Individual/ NRIs/OCBs	4,62,281	2.67
Clearing Members	34,656	0.20
Indian Public	41,05,147	23.79
Trust	1,000	0.01
Total	1,72,70,000	100.00

12. Dematerialization of shares and liquidity

Trading in Equity Shares of the Company on BSE Limited is permitted only in dematerialized form as per notification issued by SEBI.

Following are the details of shares held in Demat and Physical form:

Demat: 16,222,680 Equity Shares – 93.93% of Share Capital

Physical: 1,047,320 Equity Shares – 6.07 % of Share Capital

The Company's shares are among the regularly traded shares on BSE Limited.

13. Outstanding GDR, ADR or warrants or any convertible instruments

There are no outstanding instruments which are convertible into equity shares and resultantly, there is no impact on Equity Share Capital.

14. Plant Location

Pradeep Metals Limited,
R-205, MIDC, TTC Industrial Area, Rabale, Navi Mumbai - 400701.

15. Address for Correspondence

Investor Correspondence for shares held in Physical Form

Link Intime India Private Limited,
C-101, 247 Park, L.B.S. Marg,
Vikhroli(W), Mumbai 400 083.
Contact No.: +91-22-4918 6270; +91-22-4918 6060
Email: rnt.helpdesk@linkintime.co.in

Investor Correspondence for shares held in Demat Form

To the Depository Participant(s)



For any query on Annual Report

Ms. Suchita Singh,
Company Secretary,
Pradeep Metals Limited,
R-205, MIDC, Rabale, Navi Mumbai - 400701.
Tel.: +91-22-27691026 Fax: +91-22-27691123
Email: investors@pradeepmetals.com
Website: www.pradeepmetals.com
CIN: L99999MH1982PLC026191

16. Legal proceedings

As on 31st March, 2017, there were pending disputes in respect of Bonus payment to existing and retired workers for FY 2010-11 and NMMC Cess [See note 29(a) of Standalone Financial Statement].

17. Unpaid / Unclaimed Dividend

Pursuant to IEPF (uploading of Information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of the date of last AGM viz. 29th September, 2016 on the website of the Company viz. www.pradeepmetals.com and also on the website of the Ministry of Corporate Affairs.

18. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

The particulars of the transactions between the Company and related parties, as per the Accounting Standards, are mentioned separately in Notes to Accounts - forming part of the Annual Accounts.

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.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years:

There was no such instance in the last three years.

c. Whistle-Blower Policy and confirmation that no person has been denied access to the Audit Committee:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, 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.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with the mandatory requirements of Regulation 27 of the Listing Regulations, which are detailed in the annual report. The Company has obtained a certificate from Auditor certifying its compliance with the provisions of SEBI Listing Regulations 2015. This certificate is attached to the Annual Report for FY 2016-17.

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- e. Web link where policy for determining ‘material’ subsidiaries is disclosed:**
The Company’s investment in wholly owned subsidiary is not falling within criteria prescribed in Regulation 23 of Listing Regulations, (including any statutory enactments/amendments thereof) in respect of material subsidiary.
- f. Web link where policy on dealing with related party transactions is disclosed:**
Below is the web link for policy adopted by Board on dealing with Related Party transactions:
<http://www.pradeepmetals.com/policies/>
- g. Commodity price risk or Foreign exchange risk and hedging activities**
The Company avails Pre-Shipment Credit in Foreign Currency, which is converted at the prevailing exchange rate in Indian Rupees. Part of the Rupee term loans are also converted into Foreign Currency loans from time to time. During the year, the Company took Forward Cover for part of TL VIII and TL X on trial basis. However, considering that the Company exports about 70% of its finished products and does not have any significant imports, there is enough natural hedge for the Foreign Currency borrowings. Hence, no hedging is considered necessary.

Please refer to Note 35 pertaining to “Disclosure in respect of derivative instruments” of Standalone financials in this regard.

Commodity price risk is mitigated through following proper Costing Model and ensuring that raw materials are procured as per Production planning as well as contracts with Suppliers which may contain cap on prices for duration of the contract.
- h. Disclosure of the discretionary requirements as specified in Part E of Schedule II**
- i. The Board**
The Chairman of the Company is an Executive Director and his office with required facilities is provided and maintained by the Company.
- ii. Shareholder Rights**
The Company’s quarterly, half yearly and yearly results are published in an English newspaper and a Marathi newspaper and also displayed on the website of the Company www.pradeepmetals.com and disseminated to the BSE Limited wherein the share of the Company is listed. Hence, the results are not circulated to the shareholders separately.
- i. Modified opinion(s) in audit report**
There are no modified opinions contained in the Audit Report.
- j. Separate posts of Chairperson and Chief Executive Officer**
The Company will consider segregation of the post of the Chairman & CEO of the Company at appropriate time. Presently, Mr. Pradeep Goyal is the Chairman and Managing Director of the Company.
- k. Reporting of Internal Auditor**
The Internal Auditors report directly to the Audit Committee.
- l. The compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.**
The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- m. Secretarial Audit Report**
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai (Certificate of Practice No. 11001) has conducted Secretarial Audit of the Company. The Secretarial Auditors’ Report for the financial year ended 31st March, 2017 forms part of



PRADEEP METALS LIMITED

the Annual Report. No adverse comments have been made in the said Report. However, there is one observation regarding delay in publishing financial results, in Marathi newspaper by 2 days w.r.t. the Board Meeting held on 27th May 2016 for approval of financial results for the FY ended 31st March 2016.

n. Appointment of Chief Financial Officer of the Company.

Mr. Rakesh Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. 8th November, 2016. Mr. Dilip Dalvi who was appointed as the Deputy Chief Financial Officer of the Company stepped down as a Key Managerial Personnel in terms of Section 203 of the Companies Act, 2013; however, he continues to be in the Service of the Company as Dy. Chief Financial Officer.

INFORMATION ON DIRECTOR(S) RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Name of the Director	Mr. Omprakash Agarwal	Mr. Jayavardhan Dhar Diwan	Mr. Pradeep Goyal
Director Identification Number	00022796	01565319	00008370
Date of Birth	25 th March, 1940	27 th December, 1964	20 th November, 1955
Date of Appointment	4 th September, 2014 (AGM)	13 th May, 2017 (BM)	4 th September, 2014 (AGM)
Nationality	Indian	Indian	Indian
Qualification	B. E. Mechanical, Birla College of Engineering, Pilani	Master of Management Studies, S. P. Jain Institute of Management Studies Bachelor of Metallurgical Engineering, IIT Roorkee	B. Tech, Metallurgist from IIT Kanpur, Masters Degree in Materials Science and Engineering from M.I.T., Cambridge, USA.
Expertise in Specific Functional Area	Mr. Agarwal started his career over 50 years ago and has wide experience in the forging and engineering industry as well as in corporate marketing.	Mr. Diwan started his career in Indian Aluminium post his Engineering degree. He moved to a career in Finance in 1993 post his MBA, as a Senior Research Analyst covering Indian Equities for W I Carr in Mumbai and New York, moving on to KBC Financial Products as Executive Director, covering Global convertible bonds, distressed companies and special situations based out of New York. Currently, he is the Managing Partner / Advisor to Odyssey India Advisory Private Limited for New York / Mumbai, focused on Convertible Bond / special situations.	Mr. Goyal acquired advanced training in heat treatment techniques, design, manufacture and commissioning of furnaces at Degussa International, West Germany. During his stint at Air Products and Chemicals Inc., USA, he gained wide exposure to international marketing of industrial gases. With his diverse experience in metallurgy and marketing, Mr. Goyal founded Pradeep Metals Limited in 1983 in Mumbai, India. Presently, he oversees business strategy, innovation, global marketing and internal policies for the company.

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No. of shares held in the Company	13,300 Equity Shares (0.07 %)	Nil	15,76,400 shares (9.13 %)
Directorships held in other companies	Economic Forge Private Limited, Dhanlabh Engineering Works Private Limited Rabale Engineering India Private Limited	SNL Bearings Limited Odyssey India Advisors Private Limited	UPL Limited Uniphos Enterprises Limited Hind Rectifiers Limited Munak Engineers Pvt. Ltd. S. V. Shah Construction Services Pvt. Ltd. Pradeep Metals Limited Inc, Houston, USA IITB Research Park Foundation
Chairperson / Members of the Committee of the Board of Directors of the Company	Chairperson - Shareholders'/ Investors' Grievance Committee	Chairman - Nomination & Remuneration Committee, Member - CSR Committee	Member - Risk Management Committee
Chairman/Member of the Committee of the Board of Directors of other public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	None	2	6
Relationship with other Directors	-	-	Husband of Mrs. Neeru Goyal
No. of Board Meetings attended	5	NA	5

**DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR
UNDER REGULATION 34 (3) READ WITH PARA (D) OF SCHEDULE V OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

Pursuant to the provisions of Regulation 34(3) read with Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Board Members and Senior Management personnel of Pradeep Metals Limited have affirmed Compliance with the Code of Conduct for the period from 1st April 2016 to 31st March 2017.

**For and On behalf of the Board of Directors
Pradeep Metals Limited**

Date: 13th May 2017
Place: Navi Mumbai

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



CEO / CFO CERTIFICATION

The Board of Directors
Pradeep Metals Limited
R-205, MIDC, Rabale,
Navi Mumbai 400 701

Ref: Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. Significant changes in internal control during the year ended 31st March, 2017;
 2. Significant changes in accounting policies during the year ended 31st March, 2017 and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 13th May 2017
Place: Navi Mumbai

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

Sd/-
Rakesh Agarwal *
Chief Financial Officer

** Mr. Rakesh Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. 8th Nov, 2016.*

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INDEPENDENT AUDITORS' REPORT

To,
The Members of
Pradeep Metals Limited

Report on the standalone financial statement

We have audited the accompanying standalone financial statement of **Pradeep Metals Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (together referred to as standalone financial statement).

Management's responsibility for the standalone financial statement

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 statement 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 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statement based on our audit.

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.

We have conducted the 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 standalone financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statement, 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 standalone financial statement 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 standalone financial statement.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement 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, of the state of affairs of the Company as at 31st March 2017, its profit and its cash flows for the year ended on that date.

Emphasis of matter

1. Reference is invited to note 19.1 in respect of amount recoverable of Rs. 343.29 lakhs as on 31st March 2017 (as on 31st March 2016 of Rs. 216.00 lakhs) from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power generated from windmill prior to the date of entering into Power Purchase Agreement (PPA) with MSEDCL. Further, due to technical issues, no power was generated from 9th August 2016 till 6th May 2017 in respect of which claim for the compensation of Rs. 100 lakhs as accepted by the operator (upto March 2017) has been included in other operating income in the current year. The PPA has been executed with MSEDCL on 21st March 2017 and in view of the management, no uncertainty exist for the amount recoverable of Rs. 343.29 lakhs. Considering the same, in the opinion of management, no provision for doubtful receivables is required to be made.

Our opinion is not qualified in respect of above matter. The matter of receivable from MSEDCL above was also reported under EOM in our report for previous financial year ended 31st March 2016.

2. Reference is invited to note 12.2 in financial statements;
 - a) In respect of dispute between wholly owned subsidiary (WOS) of the Company and the partner in step down subsidiary (SDS) in USA. In the opinion of the management, appropriate steps are taken by the WOS in this matter.
 - b) In respect of operating losses of WOS and SDS during the current and earlier year. As informed to us, losses are on account of (a) weak demand from the oil, gas and engineering sectors to which subsidiaries supply their products and (b) due to legal cost in respect of dispute as mentioned above. Management is expecting the revival in the demand which would enable it to recoup the past losses.

In view of the above and based on the projections and considering that the investment made in WOS is of strategic nature, in the opinion of management, no provision for diminution in the value of investment in WOS or other accounting treatment (if any) is required as at 31st March 2017 in standalone financial statements.

Our opinion is not qualified in respect of above matters.

3. Reference is invited to note 41 to financial statements in respect of reclassification of dies from inventories to fixed assets in accordance with revised Accounting Standard 10 - 'Property, Plant and Equipment'. Accordingly, opening inventory of Rs. 906.12 lakhs has been transferred to fixed assets and depreciation has been charged on the balance useful life. Due to this change, profit before tax for the year is lower by Rs. 90.61 lakhs.

Our opinion is not qualified in respect of above matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 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 statement comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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- e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B."
- g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 29 to the financial statements.
 - ii. The Company did not have any long term contract including derivative contract for which there are any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. - Refer Note 38 to the standalone financial statements.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W/W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 13th May 2017



**Annexure A to Independent Auditors' Report for the period
from 1st April 2016 to 31st March 2017**

[Referred to in 'Other legal and regulatory requirements' of our report of even date]

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has physically verified all the fixed assets during the year. The company had a programme of physical verification in a phased manner over a period of three years. In our opinion, frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) As per the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory (other than lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, confirmations have been obtained by the Company. In our opinion, the frequency of verification is reasonable. As per the information and explanation given to us, discrepancies noticed on physical verification were not material.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Therefore, clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 the Order is not applicable.
- iv. According to the information and explanation given to us, in respect of corporate guarantee given (For loan taken by wholly owned subsidiary - also refer note 33) and investment made in wholly owned subsidiary, the Company has complied with the provisions of Section 185 and Section 186 of the Act. There are no loans granted or security given for which section 185 or section 186 needs to be complied with.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. As per information and explanation given to us, maintenance of cost records in respect of closed dies forging and processing is prescribed for the Company pursuant to the Rules made by the Central Government under section 148(1) of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with appropriate authorities on account of any dispute except demands raised for income tax aggregating to Rs. 8,618,522 for financial years 2011-12, 2012-13 and 2013-14 under Income Tax Act, 1961. In respect of these demands, the Company has filed rectification application seeking to give credit of taxes paid and after rectification, no demand will be payable.

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- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the bank. The Company has not borrowed any money from financial institution, government and debenture holders.
- ix. The Company has not raised money by way of initial public offer or further public offer [including debt instruments] and term loans during the year hence clause (ix) of paragraph 3 of the Order is not applicable.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.
- xi. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year. Therefore, question of our comment on compliance with provisions of Section 42 of Act does not arise.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore, clause (xv) of paragraph 3 the Order is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W/W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai
Date: 13th May 2017

Annexure B to Independent Auditors' Report of even date on the standalone financial statements of Pradeep Metals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance

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regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In respect of inventory (recording of WIP and allocation of overheads) internal financial controls are being further strengthened to commensurate with the size of the Company and nature of its business.

In our opinion, read with our comment with respect to inventory above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Place: Mumbai
Date: 13th May 2017

Milan Mody
Partner
Membership No. 103286


PRADEEP METALS LIMITED
Standalone Balance Sheet as at 31st March 2017

(Rs. in lakhs)

Particulars	Note No.	As at 31 st March 2017	As at 31 st March 2016
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	1,726.26	1,726.26
Reserves and surplus	3	2,729.30	2,211.94
		4,455.56	3,938.20
Government grant pending apportionment to profit & loss	40	214.00	-
Non-current liabilities			
Long term borrowings	4	1,462.97	1,179.06
Deferred tax liabilities (Net)	5	504.41	412.95
Long term provisions	6	81.70	168.46
		2,049.08	1,760.47
Current liabilities			
Short-term borrowings	7	5,972.73	5,753.86
Trade payable			
- Due to micro and small enterprises	8	-	-
- Due other than to micro and small enterprises	8	855.04	556.39
Other current liabilities	9	1,143.17	845.72
Short-term provisions	10	178.51	96.90
		8,149.45	7,252.87
Total		14,868.09	12,951.54
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets- Property plant and equipment	11	4,358.13	3,624.40
Intangible assets		61.67	68.30
Capital Work-in-Progress		587.42	253.04
Intangible assets under development		97.20	-
Non-current investments	12	879.15	543.70
Long term loans and advances	13	701.48	741.54
Other non-current assets	14	-	0.74
		6,685.05	5,231.72
Current assets			
Inventories	15	2,533.32	3,006.45
Trade receivable	16	4,135.82	3,455.23
Cash and bank balances	17	227.08	49.09
Short-term loans and advances	18	200.77	198.34
Other current assets	19	1,086.05	1,010.71
		8,183.04	7,719.82
Total		14,868.09	12,951.54
Significant accounting policies	1		
Other notes	2 to 43		

Notes referred to herein above form an integral part of financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 13th May 2017

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Suchita Singh
Company Secretary
Membership No. A43837

Place: Navi Mumbai
Date: 13th May 2017

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

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Standalone Statement of Profit and Loss for the year ended 31st March 2017

(Rs. in lakhs)

Particulars	Note No.	Year ended 31 st March 2017	Year ended 31 st March 2016
Revenue			
Revenue from operations	20	12,574.67	12,306.32
Less: Excise duty		(418.87)	(396.60)
Revenue from operations (net)		12,155.80	11,909.72
Other income	21	163.81	174.52
Total revenue		12,319.61	12,084.24
Expenses			
Cost of material consumed	22	5,505.88	5,391.67
Changes in inventories of work-in-progress and scrap	23	(87.56)	215.98
Manufacturing expenses	24	2,670.63	2,540.58
Employee benefit expenses	25	1,634.73	1,583.95
Finance costs	26	541.94	676.00
Depreciation and amortization expense	11	389.92	370.19
Administrative, selling and distribution expense	27	869.13	772.47
Total expenses		11,524.67	11,550.84
Profit before prior period items and taxes		794.94	533.40
Prior period items - (income) / expenses (net)	28	7.95	19.87
Profit before taxes		786.99	513.53
Tax expense:			
- Current tax		240.25	103.84
- MAT Credit entitlement		-	(41.80)
- Deferred tax charge / (Credit)		23.91	75.94
- Income tax, deferred tax and MAT credit of earlier years (net)		5.47	-
		269.63	137.98
Profit after tax for the year		517.36	375.55
Basic and diluted earnings per share			
Equity shares (Face value of Rs. 10 each)		3.00	2.17
Significant accounting policies	1		
Other notes	2 to 43		

Notes referred to herein above form an integral part of financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 13th May 2017

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Suchita Singh
Company Secretary
Membership No. A43837

Place: Navi Mumbai
Date: 13th May 2017

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

Standalone Cash Flow Statement for the year ended 31st March 2017

(Rs. in lakhs)

Particulars	Note	2016 - 2017	2015 - 2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit / (loss) before taxation and prior period item		794.94	533.40
Adjustments for:			
Depreciation and amortization (Net of prior period dep'n)	389.92		370.19
Provision for doubtful debts / other current assets	(8.82)		15.43
Provision for contingency	(6.92)		15.89
Unrealised foreign exchange (gain) / loss (Net)	(77.52)		159.90
(Profit) / loss on sale of fixed asset (net)	23.66		4.89
Interest expenses	541.94		676.00
Interest income	(8.83)		(2.16)
		853.43	1,240.14
Operating profit before changes in assets and liabilities		1,648.37	1,773.54
Movements in working capital: [Current and Non-current]			
(Increase) / decrease in loans and advances and other current assets	(140.39)		(319.12)
(Increase) / decrease in inventories	473.13		614.83
(Increase) / decrease in trade receivable	(659.51)		368.98
Increase / (decrease) in trade payable, other current liabilities and provisions	300.37	(26.40)	(30.36)
		1,621.97	2,407.87
Less: Prior period items		7.95	19.87
		1,614.02	2,388.00
Adjustment for:			
Direct taxes paid [including tax deducted at source]		165.33	175.69
Net cash generated / (used in) from operating activities...(A)		1,448.69	2,212.31
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets (Including capital advances)	(1,522.15)		(741.20)
Sale of fixed asset	8.48		18.70
(Increase) / decrease in other bank balances and non-current assets [Other than cash and cash equivalent]	6.23		(13.08)
Government grant received	214.00		
Investments made in wholly owned subsidiary	(335.45)		(275.75)
Other investment	-		(0.05)
Interest received	8.83		2.16
	(1,620.06)		(1,009.22)
Adjustment for:			
Direct taxes paid [including tax deducted at source]		0.06	0.07
Net cash generated / (used in) from investing activities...(B)		(1,620.12)	(1,009.29)

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(Rs. in lakhs)

Particulars	Note	2016 - 2017	2015 - 2016
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowing		959.09	475.20
Repayment of long term borrowing		(294.12)	(172.69)
Increase / (decrease) in working capital loan (Net)		229.83	(469.46)
Dividend paid (Including dividend distribution tax)		-	(361.08)
Interest paid on loans		(539.89)	(670.42)
		<u>354.91</u>	<u>(1,198.45)</u>
Net cash generated / (used) from financing activities...(C)		<u>354.91</u>	<u>(1,198.45)</u>
Net increase in cash and cash equivalents...(A + B + C)		<u>183.48</u>	<u>4.57</u>
Cash and cash equivalents at the beginning of the year	17 & 38	5.99	1.42
Cash and cash equivalents at the end of the year		189.47	5.99
		<u>183.48</u>	<u>4.57</u>
Significant accounting policies	1		
Other notes	2 to 43		

Notes referred to herein above form an integral part of financial statements.

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 13th May 2017

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Suchita Singh
Company Secretary
Membership No. A43837

Place : Navi Mumbai
Date: 13th May 2017

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

NOTE NO - 1: Notes on financial statements for the year ended 31st March 2017**1. Significant accounting policies****1.1. Corporate information**

Pradeep Metals Limited (“the Company”) is a public company domiciled in India. Its shares are listed on BSE Limited in India. The Company is engaged in the manufacturing and selling of forged components. The Company caters to both domestic and international markets. The Company’s CIN is L99999MH1982PLC026191.

1.2. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

The accounting policies followed in the preparation of the standalone financial statements are consistent with those followed in the preparation of the standalone financial statements for the year ended 31st March 2016 except for changes to comply with the amendments in accounting standards as per the Companies (Accounting Standards) Amendment Rules, 2016. Refer note no.41 in respect of change in accounting of Dies.

1.3. Presentation and disclosure of financial statement

All assets and liabilities have been classified as current & non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However for the purpose of current / non-current classification of assets & liabilities, period of 12 months has been considered as normal operating cycle.

1.4. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.5. Property, Plant and Equipment

1.5.1. Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and where applicable accumulated impairment losses. Gross carrying amount of all property, plant and equipment are measured using cost model.

1.5.2. Cost of fixed assets includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset (as per Accounting Standard 16 – Borrowing Costs) and any directly attributable costs of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

1.5.3. Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

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- 1.5.4. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the balance sheet date.
- 1.5.5. Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.
- 1.5.6. Items of stores and spares (dies) that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life.

1.6. Intangible assets

- 1.6.1. Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/ development less accumulated amortization and accumulated impairment loss, if any.
- 1.6.2. Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- 1.6.3. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.
- 1.6.4. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.
- 1.6.5. In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

1.7. Depreciation / amortization

- 1.7.1. Depreciation on fixed assets (other than freehold land, leasehold land and capital work in progress) is provided using straight line basis over their useful lives which are in consonance of useful life mentioned in Schedule II of the Companies Act, 2013 except for the items prescribed in 1.7.2 where the useful life is lower than as mentioned in Schedule II based on internal technical assessment made by the management of the Company.
- 1.7.2. The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Tangible asset	Useful life
Machinery for heavy production / Press / Cranes etc.	15 Years
Dies	10 Years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Individual assets whose cost does not exceed five thousand rupees	Nil. Depreciated fully in the year of Capitalisation

- 1.7.3. The useful lives of the property, plant and equipment not covered in table 1.7.2 above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Factory building	30 Years
Electrical installation	10 Years
Office equipment	5 Years
Computers	3 Years

Furniture & fittings	10 Years
Motor vehicles	8 Years
Windmill	22 Years

- 1.7.4. In case of assets purchased, sold or discarded during the period, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- 1.7.5. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- 1.7.6. Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II.
- 1.7.7. Intangible assets are amortized over their estimated useful lives on straight-line method.

Intangible asset	Estimated useful life
(a) ERP software	10 years
(b) Other software	3 years

1.8. Research & Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility and other criteria as set out in paragraph 44 of AS 26 - 'Intangible Assets' have been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible assets.

1.9. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognized impairment loss is further provided depending on changes in circumstances. After recognition of impairment loss, the depreciation / amortisation charge for the property, plant and equipment / intangible is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation/ amortization had no impairment loss been recognised in earlier years.

1.10. Inventories

1.10.1. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

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1.10.2. Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The cost of finished goods also includes excise duty wherever applicable.

1.10.3. Scrap is valued at net realisable value.

1.11. Investments

Investments are classified into current and long-term investments.

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value / net asset value determined on category wise for related investments. Long term investments are carried at cost. Provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis.

The cost of investments comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.12. Government grant

Government grants available to the Company are considered for inclusion in accounts:

- Where there is reasonable assurance that the Company will comply with the conditions attached to them; and
- Where such benefits have been earned by the Company and it is reasonably certain that the ultimate collection will be made.

The grant received by the company is accounted as deferred income in accordance with Accounting Standard 12 - Government Grants.

1.13. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Domestic sales of goods are recognized when significant risks and rewards of ownership of the goods have been passed to the buyer which generally coincides with dispatch of goods and are recorded inclusive of excise duty and net of sales tax, rebates and trade discounts and sales returns.
- Exports sales of goods are recognized when significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of shipping bill / bill of lading as per the applicable terms.
- Revenue from job work and tooling charges (die design and preparation charges for customers) are recognised as per the terms of the contract and as and when services are rendered.
- Revenue from sales of electricity is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- Dividend income on investment is accounted for in the year in which the right to receive the payment

is established.

- Income from guarantee commission is recognised as a percentage of guarantee given on annual basis.
- Export incentives / benefits
Export incentives / benefits are recognised as income in Statement of Profit and Loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods / sale of license in open market.

1.14. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.

Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16-Borrowing Cost.

The premium or discount arising at the inception of forward exchange contracts, which are not intended for trading or speculation purposes are amortised as income or expense over the life of the contract. Outstanding forward exchange contracts as at the reporting date are translated at closing rate and any exchange difference arising on such contracts are recognised in the Consolidated Statement of Profit and Loss in the year in which exchange rate changes. Any profit or loss on cancellation or renewal of forward exchange contracts are recognised as income or expense of the year.

1.15. Employee benefits

1.15.1. Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

1.15.2. Post-employment benefits

- **Defined Contribution Plan**

The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme and Employee Pension Scheme. The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution amount to a government administered fund and will have no obligation to pay further contribution. The fixed contribution under the schemes is recognized in Statement of Profit and Loss during the period in the period in which employee renders the related service.

- **Defined Benefit Plan and other long-term benefits**

- o The Company has defined benefit plans comprising of gratuity and other long term benefits include leave benefits. For gratuity, the Company has a Group Gratuity-cum-Life Insurance Scheme with Life Insurance Corporation of India (LIC), for future payment of gratuity to employees at retirement, death while in employment or on termination. Leave benefits are non-funded. The present value of the defined benefit obligations and other long term benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The expected return on plan assets is the Company's expectation of average long term rate of return on the investment of the fund over the entire life of the related obligation. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated

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term of obligations.

- o Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expense.

1.16. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

1.17. Operating lease

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are recognised on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement.

1.18. Taxes on income

Tax expenses comprise of current tax, minimum alternate tax, deferred tax charge or credit and adjustments of taxes for earlier years.

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably / virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT [calculated in accordance with provisions of section 115JB of the Income tax Act, 1961 (the Act)] over normal income-tax is recognized as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period specified under the Act for utilisation. The Company reviews the MAT credit entitlement asset at each reporting date for reversal, if any.

1.19. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1.20. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the



effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.21. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except (a) retirement benefits and (b) dismantling / decommissioning liabilities that are recognised as cost of Property, Plant and Equipment) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither disclosed nor recognised.

1.22. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.23. Segment reporting

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organisation structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

1.24. Prior period items

Prior period items are disclosed separately in the Financial Statement.

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Notes on standalone financial statements for the year ended 31st March 2017

2 Share capital

(Rs. in lakhs)

2.1 Authorised capital

Equity share capital

	As at 31 st March 2017	As at 31 st March 2016
18,500,000 (Previous year: 18,500,000) Equity Shares of Rs.10 each	1,850.00	1,850.00
550,000 (Previous year: 550,000) Preference Shares of Rs.100 each	550.00	550.00
Total	<u>2,400.00</u>	<u>2,400.00</u>

2.2 Issued, subscribed and paid-up capital

Issued

17,270,000 (Previous year: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
--	----------	----------

Issued, subscribed and paid-up

17,270,000 (Previous year: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Less: Calls in arrear (other than directors / officers)	(0.74)	(0.74)
Total	<u>1,726.26</u>	<u>1,726.26</u>

2.3 Reconciliation of number of equity shares outstanding

Shares outstanding at beginning of the year	17,270,000	17,270,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	17,270,000	17,270,000

2.4 Equity Shares held by each shareholder holding more than 5% shares

Name of shareholder	As at 31 st March 2017		As at 31 st March 2016	
	Number of Shares	% of holding	Number of Shares	% of holding
S. V. Shah Construction Services Private Limited	3,805,061	22.03	3,805,061	22.03
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13
Rabale Engineering (I) Private Limited	6,167,481	35.71	6,167,481	35.71
Mrs. Neeru P. Goyal*	919,927	5.33	-*	-*
Mr. Kewal Krishna Nohria	890,000	5.15	926,700	5.36

*Previous year holding was not more than 5% and hence figures are not disclosed.

2.5 Rights, preferences and restrictions of equity shares

The Company has issued only one class of shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts (after due adjustments in case shares are not fully paid up). However, no such preferential amounts exist currently.

	As at 31 st March 2017	(Rs. in lakhs) As at 31 st March 2016
3 Reserve and surplus		
Securities premium account		
Opening balance	515.98	515.98
Add: Transferred from statement of profit and loss	-	-
	515.98	515.98
General Reserves		
Opening balance	211.60	211.60
Add: Transferred from statement of profit and loss	-	-
	211.60	211.60
Surplus balance in Statement of Profit and Loss		
Opening balance	1,484.36	1,233.52
Add:		
Net profit / (loss) transferred from Statement of Profit and Loss	517.36	375.55
Interim dividend [including Dividend Distribution Tax of Rs. Nil (Previous year: Rs. 21.10 lakhs)]	-	(124.71)
	2,001.72	1,484.36
Total	2,729.30	2,211.94
4 Long term borrowings		
Secured		
Term loans		
From banks		
- Foreign currency loan [Refer note 4.1 (i) and 4.2]	1,013.31	785.62
- Rupee loan [Refer note 4.1(i) and 4.2]	410.00	335.05
- Vehicle loan [Refer note 4.1(ii) and 4.2]	39.66	58.39
Total	1,462.97	1,179.06

4.1 Details of security provided

- (i) Term loans (Foreign currency loan & Rupee loan) are secured by first charge on pari passu basis on fixed assets of the Company (present and future) (excluding a vehicle) and second charge on current assets. The loans are further secured by personal guarantee of Chairman and Managing Director of the Company.
- (ii) Vehicle loans is secured against hypothecation of the vehicle against which the loan has been taken. The loan is further secured by personal guarantee of Chairman and Managing Director and a Director of the Company.

4.2 Terms of repayment and maturity profile of the term loan is as set out below:

(Rs. In lakhs)

Particulars	Amount*	Terms of repayment
Term loan VII	97.49 (206.90)	Repayable in 15 quarterly installments of Rs. 27.35 lakhs each starting from July 2014 and last installment payable of Rs. 15.43 lakhs.
Term loan VIII	- (357.57)	Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016.
Foreign currency term loan VIII	343.24 (-)	Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016. This loan was converted into foreign currency loan with tenure of 6 months and eligible for rollover at the end tenure of loan.

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		However, overall loan arrangement was as per original terms of sanction and hence same is grouped as long term loan.
Foreign currency term loan IX	754.59 (835.61)	Repayable in 21 quarterly installments of Rs. 50.00 lakhs each starting from January 2017. This loan was converted into foreign currency loan with tenure of 6 months and eligible for rollover at the end tenure of loan. However, overall loan arrangement was as per original terms of sanction and hence same is grouped as long term loan.
Term loan X	63.25 (-)	Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017.
Foreign currency term loan X	264.48 (-)	Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017. This loan is converted into foreign currency loan with tenure of 6 months and eligible for rollover at the end tenure of loan. However, overall loan arrangement is as per original terms of sanction and hence same is grouped as long term loan.
WCTL	500.00 (-)	Repayable in 17 quarterly installments of Rs. 30.00 lakhs each starting from September 2017.
Vehicle loan	58.39 (70.69)	Repayable in 60 equated monthly installments of Rs. 1.56 lakhs (including interest) each starting from February 2016.

* Figures in bracket pertains to previous year.

Note: Above figures are including current maturity disclosed in note 9.

	(Rs. in lakhs)	
	As at 31 st March 2017	As at 31 st March 2016
5 Deferred tax liabilities (net)		
A - Deferred tax liabilities		
Differences in depreciation and amortization for accounting and income tax purposes	620.23	542.13
Total (A)	620.23	542.13
B - Deferred tax assets		
Provision for doubtful debts / advances	13.74	10.06
Provision for employee benefits	74.38	73.81
Disallowance under section 43B of Income Tax Act, 1961	27.70	45.31
Total (B)	115.82	129.18
Net deferred tax liabilities (A-B)	504.41	412.95
6 Long term provisions		
Provision for employee benefits		
- Leave benefits (Refer note 36.5)	43.15	93.80
- Gratuity (Refer note 36.4)	38.55	74.66
Total	81.70	168.46
7 Short term borrowings		
Secured		
From bank		
Working capital loans		
- Cash credit (Repayable on demand) [Refer note 7.1]	1,772.12	1,951.33
- Packing credit	2,572.98	2,531.09
- Bills discounted	1,627.63	1,271.44
Total	5,972.73	5,753.86

(Rs. in lakhs)

	As at 31 st March 2017	As at 31 st March 2016
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7.1 Details of security provided on working capital loans

Working capital loans are secured by charge on pari passu basis on entire current assets of the Company including bills discounted / purchased and second charge on its fixed assets. The loans are further secured by personal guarantee of Chairman and Managing Director of the Company.

8 Trade payable

- Amounts due to micro & small enterprises [Refer note 8.1]	-	-
- Others	855.04	556.39
Total	855.04	556.39

8.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act], certain disclosures are required to be made relating to Micro and Small Enterprises. The Company has not received any information from its suppliers about their coverage under the MSMED Act and as such no further disclosures are required to be made. Auditor's have relied on the same.

9 Other current liabilities

Current maturity of long term borrowings		
- Rupee loan	250.75	229.41
- Foreign currency loan	349.00	50.00
- Vehicle loan	18.73	12.30
Interest accrued but not due	7.64	5.58
Unpaid dividend	31.45	35.49
Advances from customers	9.27	6.07
Statutory liabilities	36.73	18.19
Accrued expenses	179.13	212.45
Salary and wages payable	81.98	71.13
Trade payable for capital goods:		
- Amounts due to micro & small enterprises [Refer note 8.1]	-	-
- Others	159.56	190.87
Forward contract foreign currency payable (net)	0.64	-
Other liabilities	18.29	14.23
Total	1,143.17	845.72

10 Short term provisions

Provision for employee benefits		
- Leave benefits (Refer note 36.5)	99.22	21.79
- Gratuity (Refer note 36.4)	44.08	32.98
Provision for contingency (Refer note 10.1)	35.21	42.13
Total	178.51	96.90

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10.1 Movement of provision for contingencies as per Accounting Standard - 29 'Provisions, Contingent Liability and Contingent Asset'

(Rs. in lakhs)

Particulars*	Margin on sales Return(a)	Provision for bonus(b)	NMMC(c)	Total(a+b+c)
Opening balance	0.89	26.25	15.00	42.14
	(-)	(26.25)	(-)	(26.25)
Add: Provision made	0.27	-	19.94	20.21
	(0.89)	(-)	(15.00)	(15.89)
Less: Utilised / paid	0.89	-	-	0.89
	(-)	(-)	(-)	-
Less: Write back	-	26.25	-	26.25
	(-)	(-)	(-)	(-)
Closing balance	0.27	-	34.94	35.21
	(0.89)	(26.25)	(15.00)	(42.13)

*Figures in bracket pertains to previous year

Note :

Provision for contingency represents (a) provision for expected margin on sales return; (b) provision for bonus payable for earlier years; and (c) provision for disputed Navi Mumbai Municipal Cess ('NMMC') liability. In respect of (a) the outflow is expected to be within a period of one year. In respect of (c) the Company has paid Rs.60.29 lakhs under protest during the year. Rs.11.37 lakhs was paid in previous year and has been treated as an expense in that year. Expected outflow of interest / penalty depends on outcome of the appeal filed.



Notes on standalone financial statements for the year ended 31st March 2017

11 Fixed assets

11.1 Fixed assets as at 31st March 2017

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As At 1 st April 2016	Additions	Sales / Discard	As at 31 st March 2017	As at 1 st April 2016	For the year	On Sales / Discard	As at 31 st March 2017
Tangible assets								
Leasehold land	55.81	-	-	55.81	13.71	0.60	-	41.50
Freehold land	56.70	-	-	56.70	-	-	-	56.70
Factory buildings	950.40	26.34	22.06	954.68	211.98	30.19	7.37	719.88
Plant and machinery	3,519.96	96.94	225.15	3,391.75	2,138.33	171.60	207.81	1,289.62
Microwave Machinery (R & D)	-	115.94	-	115.94	-	28.99	-	86.95
Wind mill	1,279.51	-	-	1,279.51	55.40	55.25	-	1,168.86
Electrical installation	197.65	13.04	-	210.69	146.05	10.83	-	53.81
Office equipment	19.86	0.76	2.02	18.60	17.98	0.12	1.92	2.41
Computers	40.65	4.81	-	45.47	34.79	2.14	-	8.54
Furniture and fixtures	33.17	11.48	-	44.65	7.32	3.37	-	33.96
Vehicles	151.11	0.59	-	151.70	54.86	16.46	-	80.39
Dies (Refer note 41)	-	906.12	-	906.12	-	90.61	-	815.51
Sub-total (A)	6,304.82	1,176.02	249.23	7,231.62	2,680.43	410.16	217.10	2,873.48
Intangible assets (Other than internally generated)								
Software	104.41	2.12	-	106.53	36.12	8.75	-	61.67
Sub-total (B)	104.41	2.12	-	106.53	36.12	8.75	-	61.67
Total [(A) + (B)]	6,409.23	1,178.14	249.23	7,338.15	2,716.55	418.91	217.10	4,419.80

11.2 Particulars	2016-17	2015-16
Depreciation as per table 11.1 above	418.91	370.19
Less: Depreciation allocated to intangible assets under development	28.99	-
Net depreciation as per statement of profit & loss	389.92	370.19

Notes on standalone financial statements for the year ended 31st March 2017

11 Fixed assets

11.3 Fixed assets as at 31st March 2016

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As At 1 st April 2015	Additions	Deductions	As at 31 st March 2016	As at 1 st April 2015	For the year		Deletions / Adjustments
Tangible assets								
Leasehold land	55.81	-	-	55.81	-	13.71	-	42.10
Freehold land	56.70	-	-	56.70	-	-	-	56.70
Factory buildings	355.34	595.06	-	950.40	191.19	20.79	-	738.42
Plant and machinery	3,160.17	398.45	38.66	3,519.96	1,933.34	220.31	15.30	1,381.62
Wind mill	1,279.51	-	-	1,279.51	0.15	55.25	-	1,224.11
Electrical installation	162.36	35.29	-	197.65	131.98	14.07	-	51.60
Office equipment	18.34	1.52	-	19.86	13.06	4.92	-	1.88
Computers	33.37	7.29	-	40.65	26.38	8.41	-	5.86
Furniture and fixtures	15.83	17.34	-	33.17	4.91	2.41	-	25.85
Vehicles	76.87	78.88	4.64	151.11	45.99	13.27	4.40	96.26
Sub-total (A)	5,214.30	1,133.83	43.30	6,304.83	2,347.00	353.14	19.70	2,680.45
Intangible assets (Other than internally generated)								
Software	36.87	67.54	-	104.41	19.07	17.05	-	68.30
Sub-total (B)	36.87	67.54	-	104.41	19.07	17.05	-	68.30
Total [(A) + (B)]	5,251.17	1,201.37	43.30	6,409.24	2,366.07	370.19	19.70	3,692.70

(Rs. in lakhs)

11.4 Depreciation as per statement of profit & loss of Rs. 389.92 lakhs is net of reversal of excess depreciation of Rs. 38.50 lakhs charged in previous year.

11.5 Disclosure required as per paragraph 82(b) of Accounting Standard 10 Property, Plant & Equipments - amount capitalised under gross block includes Rs. 26.34 lakhs (P.Y. Rs. 595.06 lakhs) being the amount of capital expenditure incurred on self constructed assets. Further such amount included under CWIP is aggregating to Rs. 587.42 lakhs (P.Y. Rs. 229.70 lakhs)

11.6 Factory Building is constructed on Leasehold Land.

11.7 Movement of capital work in progress

(Rs. in lakhs)

Particulars	2016-17				2015-16			
	P & M	Building	Others	Total	P & M	Building	Others	Total
Opening capital work in progress	3.00	229.70	20.34	253.04	122.89	481.60	87.40	691.90
Add: Addition during the year	73.03	377.81	119.71	570.55	198.08	336.38	8.99	543.45
Less: Assets capitalized / reversed during the year	76.03	20.09	140.05	236.17	317.97	588.28	76.06	982.31
Closing capital work in progress	-	587.42	-	587.42	3.00	229.70	20.33	253.04

11.8 Movement of intangible assets under development

(Rs. in lakhs)

Particulars	2016-17	2015-16
Opening intangible under development	-	65.65
Add: Addition during the year	97.20	1.89
Less: Intangible capitalized / reversed during the year	-	67.54
Closing capital work in progress	97.20	-

11.9 Details of remaining amortization period and carrying value of major items of intangible assets is as given below:

Description	Carrying amount as at (Rs. in lakhs)		Remaining useful life as at (months)	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Microsoft Office	3.12	3.22	11 to 24	11 to 24
Epicore software	56.78	63.10	100	112

11.10 First Pari Passu charge has been created on fixed assets of the Company (present and future) in respect of Foreign Currency Loan of USD 2 Million (Outstanding as on 31.03.2017 - USD 1.8 Million) (Previous Year Outstanding as on 31.03.2016 - USD 2 Million) taken by Pradeep Metals Limited, Inc. (Wholly Owned Subsidiary) in USA from Union Bank of India, Hong Kong. (Refer Note 4.1)

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		(Rs. in lakhs)	
		As at	As at
		31 st March 2017	31 st March 2016
12	Non-current investments		
	(At cost, unless otherwise specified)		
	Long term investment		
	Unquoted investment		
	(a) Trade investment		
	In wholly owned subsidiary		
	Pradeep Metals Limited, Inc. USA (Refer Notes 12.1 & 12.3)	879.10	543.65
	(200 (Previous year: 200) Shares of No Par Value)		
	(b) Other investments		
	TJSB Sahkari Bank Limited	0.05	0.05
	(100 (Previous year: 100) shares of Rs. 50 each)		
	Total	879.15	543.70
12.1	60 Shares are pledged with Union Bank of India, Hong Kong and non - disposal undertaking given to them in respect of 140 shares in connection with Foreign Currency Loan of USD 2 Million taken by Pradeep Metals Limited, Inc. USA (Outstanding as on 31.03.2017 - USD 1.8 Million) (Previous Year Outstanding as on 31.03.2016 - USD 2 Million).		
12.2	Other disclosures of investment		
	Aggregate cost of unquoted investment	879.15	543.70
	Aggregate cost of quoted investment	-	-
	Market value of quoted investment	-	-
	Provision for diminution in value of investment	-	-
12.3	During the year, a dispute had arisen between Wholly Owned Subsidiary (WOS) and the partner holding 49% share in step down subsidiary (SDS) (51% share is held by Company's WOS). The matter is now sub-judice and suitable representations are being made in the court by WOS in this matter. Further, operating losses in the consolidated financial statement of WOS during the current and earlier year are on account of weak demand from the oil, gas and engineering sectors to which the subsidiaries supply their products. Also legal costs have added to the losses. Management is expecting the revival in demand which would enable it to recover the past losses. Based on the projections and considering that the investment made in WOS is of strategic nature, in the opinion of management, no provision for diminution in the value of investment in WOS or accounting adjustment (if any) is required as at 31 st March 2017.		
13	Long term loans and advances		
	(Unsecured, considered good unless otherwise stated)		
	Capital advances	372.73	462.63
	Security deposits	49.64	49.00
	Advance income tax [Net]	150.96	157.11
	MAT credit entitlement	62.25	68.88
	Prepaid expenses	5.61	3.92
	Payment of cess under protest (Refer note 10.1)	60.29	-
	Total	701.48	741.54
14	Other non-current assets		
	(Unsecured, considered good unless otherwise stated)		
	Deposit with bank (under lien) [Refer note 14.1 below]	-	0.74
	Total	-	0.74

	(Rs. in lakhs)	
	As at	As at
	31 st March 2017	31 st March 2016
14.1 Bank deposits aggregating to Rs. Nil (Previous year: Rs. 0.74 lakh) are under lien with banks towards guarantees issued by bank.		
15 Inventories		
Raw material	858.85	534.17
Raw materials (Dies)	107.86	83.08
Work-in-progress	1,374.66	1,296.33
Stores, spares and consumables	169.22	173.25
Dies (Refer note 41)	-	906.12
Stock of scrap	22.73	13.50
Total	<u>2,533.32</u>	<u>3,006.45</u>
16 Trade receivable		
(Unsecured, considered good unless otherwise stated) (from the date they are due for payment) Debt outstanding for a period exceeding six months		
Considered good	54.85	73.85
Considered doubtful	3.54	12.36
Others debts	4,080.97	3,381.38
	<u>4,139.36</u>	<u>3,467.59</u>
Less: Provision for doubtful debts	3.54	12.36
Total	<u>4,135.82</u>	<u>3,455.23</u>
16.1 Trade receivable includes export bills aggregating to Rs. 1,627.63 lakhs (Previous year: Rs. 1,271.44 lakhs) purchased / discounted by the Bank but pending realisation as on the date of the Balance Sheet & disclosed under working capital (short term borrowing).		
16.2 Trade receivable includes Rs. 0.35 lakh (Previous Year Rs. 0.21 lakh) receivable from private Company in which director is a director.		
17 Cash and bank balances		
Cash and cash equivalent		
Cash in hand	6.68	2.28
Balance with bank		
- In current accounts	4.56	3.71
- Bank deposits	178.23	-
	<u>189.47</u>	<u>5.99</u>
Other bank balances		
Balance with bank		
- Bank deposits [Refer note 17.1] (More than 3 months and less than 12 months)	6.16	7.61
- Unpaid dividend account	31.45	35.49
	<u>37.61</u>	<u>43.10</u>
Total	<u>227.08</u>	<u>49.09</u>
17.1 Bank deposits aggregating to Rs. 6.16 lakhs (Previous year: Rs. 7.61 lakhs) are under lien with banks towards guarantees issued by bank.		

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		(Rs. in lakhs)	
		As at	As at
		31 st March 2017	31 st March 2016
18	Short-term loans and advances		
	(Unsecured, considered good unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	7.53	14.66
	Other loans and advances		
	- Advance to suppliers	14.71	2.20
	- Prepaid expenses	80.67	84.15
	- Balance with tax authorities	97.86	97.33
	Total	200.77	198.34
19	Other current assets		
	(Unsecured, considered good unless otherwise stated)		
	Export incentive receivable		
	- Considered good	268.76	248.33
	- Considered doubtful	3.07	3.07
		271.83	251.40
	Less: Provision for doubtful other current asset	3.07	3.07
		268.76	248.33
	Sales tax refund receivable	298.05	502.98
	Other receivables		
	- On sale of electricity - windmill (Refer Note 19.1)	343.29	216.00
	- Compensation receivable from Windmill Operator (Refer Note 19.1)	100.00	-
	- Amount recoverable from customers (Dies)	69.20	-
	- Guarantee commission receivable (from wholly owned subsidiary)	6.75	25.60
	- Reimbursement of expenses recoverable (from wholly owned subsidiary)	-	17.80
	Total	1,086.05	1,010.71

19.1 Other current asset includes Rs. 343.29 lakhs as on 31st March 2017 (Previous year Rs. 216.00 lakhs) receivable from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power generated from windmill prior to the date of Power Purchase Agreement (PPA). Further, due to technical issues, no power was generated from 9th August 2016 till 6th May 2017 in respect of which claim for the compensation (up to March 2017) of Rs. 100 lakhs as accepted by the wind mill vendor has been included in other operating income. The PPA has been executed with MSEDCL on 21st March 2017. Considering the above, in view of the management, no uncertainty exists for the amount recoverable of Rs. 343.29 lakhs and therefore, no provision for doubtful receivables is required to be made.

	(Rs. in lakhs)	
	2016-2017	2015-2016
20 Revenue from operations		
Sale of goods		
- Domestic	3,785.57	3,639.89
- Export	7,358.10	7,212.45
Job work and tooling charges		
- Domestic	27.44	40.65
- Export	-	141.01
Other operating revenue		
- Export incentives	208.90	210.14
- Sale of electricity - windmill (Refer note 19.1)	127.28	216.00
- Scrap sales	948.98	840.86
- Provision for contingencies written back (Refer note 10.1) (net)	6.92	-
- Compensation from Windmill Operator (Refer note 19.1)	100.00	-
- Miscellaneous receipts	11.48	5.32
	<u>12,574.67</u>	<u>12,306.32</u>
Less: Excise duty	(418.87)	(396.60)
Total	<u>12,155.80</u>	<u>11,909.72</u>
20.1 Earnings in foreign currency (On accrual basis)*		
FOB value of export	7,139.30	7,089.58
Guarantee commission recovered	27.00	25.60
Job work / tooling charges	-	141.01
*Excluding reimbursement of expenses.		
20.2 Broad category of sales and services		
Steel forgings	10,724.80	10,455.74
Sale of scrap	948.98	840.86
Job work and tooling charges	27.44	181.66
Total	<u>11,701.22</u>	<u>11,478.26</u>
Note: Sales amount is net of excise duty recovered.		
21 Other income		
Interest income		
- On fixed deposit	0.64	0.71
- Others	8.19	1.44
Guarantee commission recovered	27.00	25.60
Miscellaneous income	7.56	15.95
Foreign exchange fluctuation - gain (Net)	120.42	130.82
Total	<u>163.81</u>	<u>174.52</u>
22 Cost of material consumed		
Opening stock	534.17	880.49
Add: Purchases and incidental expenses	5,830.56	5,045.36
	<u>6,364.73</u>	<u>5,925.84</u>
Less : Closing stock	858.85	534.17
Total	<u>5,505.88</u>	<u>5,391.67</u>

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		(Rs. in lakhs)	
		2016-2017	2015-2016
22.1	Details of raw material and components consumed		
	Carbon and stainless steel	5,505.88	5,391.67
	Dies	140.07	348.11
	Total	<u>5,645.95</u>	<u>5,739.78</u>
22.2	CIF value of imports (accrual basis)		
	Stores and spares	3.69	66.88
	Capital goods	125.11	25.14
	Total	<u>128.80</u>	<u>92.02</u>
22.3	Consumption of imported and indigenous raw material and stores, spares		
		2016-2017	2015-2016
		%	%
		Amount	Amount
	Raw material		
	Indigenous	100.00	100.00
	Imported	-	-
	Total	<u>100.00</u>	<u>100.00</u>
	Stores and spares		
	Indigenous	100.00	84.97
	Imported	-	15.03
	Total	<u>100.00</u>	<u>100.00</u>
		<u>5,505.88</u>	<u>5,391.67</u>
		<u>513.92</u>	<u>378.13</u>
		<u>3.69</u>	<u>66.88</u>
		<u>517.61</u>	<u>445.01</u>
			(Rs. in lakhs)
23	Changes in inventories of work-in-progress and scrap	2016-2017	2015-2016
	Opening stock		
	Work-in-progress	1,296.33	1,512.99
	Scrap	13.50	12.82
		(A) 1,309.83	1,525.81
	Less : Closing stock		
	Work-in-progress	1,374.66	1,296.33
	Scrap	22.73	13.50
		(B) 1,397.39	1,309.83
	(Increase)/ decrease in inventories of work-in-progress and scrap (A-B)	<u>(87.56)</u>	<u>215.98</u>
24	Manufacturing expenses		
	Dies expenses	140.07	348.11
	Consumption of Stores & Spares	517.61	445.01
	Freight inward, octroi and other expenses	49.45	61.72
	Power and fuel	630.97	589.35
	Insurance expenses	63.47	58.22
	Repairs and maintenance		
	- Plant and machinery	166.09	164.99
	- Building	19.32	16.83
	Contract labour expense	203.42	145.63
	Job work expenses	810.21	639.12
	Rent (Refer note 31)	70.02	71.60
	Total	<u>2,670.63</u>	<u>2,540.58</u>

	(Rs. in lakhs)	
	2016-2017	2015-2016
25 Employee benefit expense		
Salaries, wages and bonus	1,372.86	1,250.74
Contribution to provident and other funds	96.01	87.78
Gratuity expenses (Refer note 36.4)	79.19	142.24
Leave benefits (Refer note 36.5)	37.84	57.35
Workmen and staff welfare expenses	48.83	45.84
Total	<u>1,634.73</u>	<u>1,583.95</u>
26 Finance cost		
Interest on loans	434.79	427.60
Other interest costs	6.35	38.02
Bank charges	100.67	53.97
Premium on forward contract	0.13	-
Foreign exchange loss (attributable to finance cost) (Refer note 26.1)	-	156.41
Total	<u>541.94</u>	<u>676.00</u>
26.1 The foreign exchange loss relating to foreign currency term loans and working capital loans to the extent considered as an adjustment to the interest cost as per para 4(e) of Accounting Standard 16 - Borrowing Costs.		
27 Administrative, selling and distribution expense		
Freight outward	426.28	378.95
Professional fees	137.13	121.99
Office expenses	39.93	35.44
Travelling and conveyance expenses	69.60	31.19
Rates and taxes	24.54	22.43
Motor car expense	22.05	23.43
Security expense	25.23	22.30
Repairs and maintenance		
- Others	11.86	18.44
Payment to auditors (Refer note 27.1)	13.13	15.75
Communication expenses	14.70	15.05
Directors sitting fees	4.60	5.60
Provision for doubtful trade receivable / other current asset	3.54	15.43
Bad debts written off	19.50	2.98
Less: Provision for doubtful debts utilised	(12.36)	-
	7.14	2.98
Corporate Social Responsibility (Refer note 37)	17.22	10.36
Donation	0.30	1.03
Loss on sale and discard of fixed assets	23.66	4.89
Miscellaneous expenses	28.22	31.32
Provision for Contingency (Refer note 10.1) (net)	-	15.89
Total	<u>869.13</u>	<u>772.47</u>
27.1 Payment to auditors*		
Statutory audit fees	9.50	9.50
Other matters	3.63	6.25
Total	<u>13.13</u>	<u>15.75</u>
*Excluding service tax of Rs. 1.97 lakhs (Previous year: Rs. 1.52 lakhs)		

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		(Rs. in lakhs)	
		2016-2017	2015-2016
27.2 Expenditure in foreign currency			
Interest expenses (On foreign currency term loans)		144.97	108.31
Traveling expenses		23.47	14.58
Freight outward		-	1.83
Professional fees		2.55	8.69
Others		2.89	-
28 Prior period items			
Income			
Excise duty on fixed assets		-	14.19
Others		0.31	-
		0.31	14.19
Expenses			
Gratuity expenses		-	34.06
Reversal of provident fund recovery		5.79	-
Others		2.47	-
		8.26	34.06
Net prior period (income) /expense		7.95	19.87

29 Contingent liabilities

- (a) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to financial statements. Details of contingent liabilities not provided for are given below:

Particulars	As at 31 st March 2017	As at 31 st March 2016
(a) Letters of guarantee issued by bank	59.13	59.13
(b) Claim for Navi Mumbai Municipal Cess payable (net of provision for contingency)	25.36	45.29
(c) Claim against the Company not acknowledged as debts (Net)	26.25	5.16
(d) Corporate guarantee given for loan taken by Pradeep Metals Limited, Inc. Wholly Owned Subsidiary USD 2,000,000, (Previous year USD 2,000,000). Outstanding as on 31.03.2017 - USD 1,800,000 (Previous Year Outstanding as on 31.03.2016 - USD 2,000,000) In Rs. 1,167.30 lakhs (Previous Year Rs.1325.10 lakhs) (Refer Notes 11.10 & 12.1)	1,297.00	1,325.10

- (i) In respect of (a) and (d) above, the Company does not expect any cash outflow.
- (ii) In respect of (b) and (c) above, future cash out flows (including interest / penalty) are determinable on receipt of judgments by tax authorities / labour court / settlement with vendor.
- (iii) In respect of (b) above, the Company has provided for liability amounting Rs. 34.94 lakhs (Previous year Rs. 15.00 lakhs) and paid under protest in current year Rs. 60.29 lakhs (Previous year Rs. 11.37 lakhs)
- (b) The Company had received the demand notices under Income Tax Act as follows:

Assessment year	As at 31 st March 2017	As at 31 st March 2016
A.Y. 2014-15	39.64	-
A.Y. 2013-14	19.91	19.91
A.Y. 2012-13	26.64	26.64

The Company has filed rectification application for not giving credit of dividend taxes paid and after rectification, no demand will be payable. In view of the above, this demand is not disclosed under contingent liabilities.

30 Capital and other commitments

Capital commitment for tangible assets (net of advance paid) - Rs. 436.96 lakhs (Previous Year: Rs. 669.66 lakhs). There are no other commitments.

31 Disclosure of lease - Operating lease
As lessee:

The Company has taken certain factory premises and machinery under operating lease for a period upto 3 years. Agreement for factory premises is non-cancellable and machinery is cancellable. Rent incurred with respect to cancellable operating lease (machinery) is Rs. 46.02 lakhs (Previous year: Rs. 47.60 lakhs). With respect to non-cancellable operating lease arrangement (factory premises), rent for the year and the future minimum lease payments is as under:

(Rs. in lakhs)

Particulars	As at 31 st March 2017	As at 31 st March 2016
Lease rent expenses debited to statement of profit and loss [Refer note 24]	24.00	24.00
Future lease rent payable		
- Not later than one year	24.00	24.00
- Later than one year and not later than five years	4.00	28.00
- Later than five years	-	-
- Contingent rent payable	-	-

32 Calculation of basic & diluted earning per share

(Rs. in lakhs)

Particulars	2016-17	2015-16
Profit / (loss) after tax	517.36	375.55
Weighted average number of equity shares outstanding	17,270,000	17,270,000
Face value	10.00	10.00
Earnings / (loss) per share - basic and dilutive	3.00	2.17

33 Related party disclosure
33.1 Names of related parties

Description of relationship	Name of the Related Party
Director / Key management personnel (KMP)	Pradeep Goyal, Chairman & Managing Director
Relatives of key management personnel [only where there are transaction]	Neeru Goyal (Wife of KMP, also director in the Company) Abhinav Goyal (Son of KMP)
Subsidiary companies	Pradeep Metals Limited Inc., USA Dimensional Machine Works, USA (Step down subsidiary)
Enterprises / firm where Key Management Personnel/ Director have significant influence [only where there are transaction]	Dhanlabh Engineering Works Private Limited Economic Forge Private Limited
Enterprise having significant influence over the Company	S.V. Shah Constructions Services Private Limited Rabale Engineering (I) Private Limited

Note: Designated Key Managerial Personnel as required by Section 203 of the Companies Act, 2013 are not considered to be Key Management Personnel [Related party] as per Accounting Standard-18 'Related Party Disclosures'.

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33.2 Transactions with related parties during the year

(Rs. in lakhs)

Name of the party	Nature of the Transaction	2016-2017	2015-2016
Dhanlabh Engineering Works Private Limited	Labour charges paid	50.85	41.07
	Purchase	0.93	-
	Sales	2.47	2.58
	Rent expenses	28.68	28.43
	Electricity charges (Reimbursement)	13.53	11.26
Economic Forge Private Limited	Labour charges paid	0.34	6.66
	Purchase	-	0.48
Pradeep Metals Limited Inc., USA	Sales	941.49	706.23
	Guarantee commission recovered	27.00	25.60
	Reimbursement of expenses recovered	-	17.80
	Investment made	335.45	275.75
	Corporate guarantee given #	-	1,325.10
Abhinav Goyal	Salary paid	-	2.45
Neeru Goyal	Sitting fees paid	0.45	0.75
	Dividend paid	-	3.24
Pradeep Goyal	Managerial remuneration	84.40	84.40
	Dividend paid	-	9.46
S.V.Shah Construction Services Private Limited	Dividend paid	-	22.83
Rabale Engineering (I) Private Limited	Dividend paid	-	37.00

33.3 Closing balances

(Rs. in lakhs)

Name of the party	Nature of outstanding	31 st March 2017	31 st March 2016
Pradeep Metals Limited Inc., USA	Trade receivable	846.30	441.57
	Reimbursement of expenses receivable	-	17.80
	Guarantee commission recoverable	6.75	25.60
	Investment	879.10	543.65
	Loan amount outstanding #	1167.30	1,325.10
	Corporate guarantee outstanding #	1,297.00	1,325.10
Economic Forge Private Limited	Trade payable	-	0.84
Dhanlabh Engineering Works Private Limited	Trade payable	12.17	8.41
	Trade receivable	0.35	0.21
Pradeep Goyal	Managerial remuneration	2.65	6.90

Converted in INR at exchange rate of year end i.e. Rs. 64.85 (Previous Year Rs. 66.26)

Note: In addition to above transactions, Chairman and Managing Director of the Company has given personal guarantee for loan facilities taken by the Company (Refer note 4.1 & 7.1)

34 Segmental disclosure

The Company is primarily engaged in manufacturing of closed die steel forgings & processing. The Company had started generating & supplied power generated from wind turbine generator to Maharashtra State Electricity Distribution Company Limited (MSEDCL) from 31st March 2015. Since power purchase agreement with MSEDCL has been executed in current quarter, wind mill operation is disclosed as separate segment.

(Rs. in lakhs)

Particulars	Closed die forging and processing	Power generation	Total
External revenue	11,928.52	227.28	12,155.80
Previous year	11,693.72	216.00	11,909.72
Segment results	1,291.30	170.66	1,461.96
Previous year	1,148.07	159.56	1,307.63
Unallocated corporate expenses			133.03
Previous year			118.10
Less: Finance costs (net)			541.94
Previous year			676.00
Profit before tax			786.99
Previous year			513.53
Income taxes			269.63
Previous year			137.98
Net profit			517.36
Previous year			375.55
Other information			
Segment assets	11,675.19	1,668.84	13,344.03
Previous year	10,495.22	1,496.81	11,992.03
Unallocated assets			1,524.06
Previous year			959.51
Segment liabilities	4,677.18	127.62	4,804.80
Previous year	3,313.43	127.62	3,441.05
Unallocated liabilities			5,607.74
Previous year			5,571.61
Depreciation / amortization	334.67	55.25	389.92
Previous year	314.94	55.25	370.19
Capital expenditure	1,522.15	-	1,522.15
Previous year	741.20	-	741.20

b) Secondary segment: Geographical segment

Sales, service income and other operating revenue by geographical market:

(Rs. in lakhs)

Locations*	2016-17	2015-16
India	4,797.70	4,556.26
Outside India	7,358.10	7,353.46
Total	12,155.80	11,909.72

*Net of excise duty

Note : Revenue within India includes sales to customers located within India and revenue outside India includes sales to customers located outside India.

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Trade receivable at year end

(Rs. in lakhs)

Locations	As at 31 st March 2017	As at 31 st March 2016
India	712.97	556.80
Outside India	3,444.27	2,904.52
Total	4,157.24	3,461.32

Note: Above figures are net of provision Rs. 3.54 lakhs (Previous year: Rs. 12.36 lakhs)

As there are no other transaction of the Company which requires disclosure under AS - 17 'Segment Reporting' for geographical segment, other segmental information in respect of secondary segment is not applicable.

35 Disclosure in respect of derivative instruments

(a) Derivative instruments outstanding

Particulars	As at 31 st March 2017			As at 31 st March 2016		
	Open forward contracts			Open forward contracts		
	No. of contracts	USD (in lakhs)	Rs. in lakhs	No. of contracts	USD (in lakhs)	Rs. in lakhs
Against foreign currency term loan	2	4.68	303.50	-	-	-

(b) All the derivative instruments have been acquired for hedging purpose

(c) Foreign currency exposures that are not hedged by derivative instruments.

Particulars	As at 31 st March 2017		As at 31 st March 2016	
	Amount in Foreign Currency (in lakhs)	Rs. in lakhs	Amount in Foreign Currency (in lakhs)	Rs. in lakhs
Borrowings [Term loan & packing credit] USD	56.06	3,631.79	50.81	3366.61
Trade and other receivable				
USD	22.47	1,456.86	19.00	1,258.82
EURO	4.10	289.41	8.27	372.17
GBP	0.88	70.35	0.48	45.37
Capital advances given				
USD	0.56	36.51	1.39	92.24

Note: Open purchase orders & sales orders have not been considered for foreign currency exposure.

Notes on standalone financial statements for the year ended 31st March 2017
36 Disclosures as required under Accounting Standard 15 (AS 15) - Employee benefits (Revised):
36.1 Charge to Statement of Profit and Loss based on contributions in respect of Defined Contribution Plan :

(Rs. in lakhs)

Particulars	2016-17	2015-16
Provident fund & ESIC	95.65	87.47
Labour welfare fund	0.36	0.31
Total	96.01	87.78

36.2 Defined benefits :

The Company has long term employee benefits schemes in the form gratuity and leave benefits. Gratuity liability is funded with LIC of India.

36.3 The principal assumptions considered for valuating the actuarial liability of gratuity and leave entitlements / benefits are as tabulated below:

Particulars	2016-17	2015-16
Discount rate	7.31%	7.46%
Expected rate of return of plan assets	8.00%	8.50%
Future salary growth #	8.00%	8.00%
Employee attrition rate	PS 0 - 42 - 2%	PS 0 - 42 - 1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand factors in the employment market.

36.4 Gratuity - Funded

The following table set out the status of the gratuity plan as required under Accounting Standard 15 - Employee Benefits:

Reconciliation of opening and closing balance of obligations

(Rs. in lakhs)

Particulars	2016-17	2015-16
Liability at the beginning of the year	367.77	225.05
Interest cost	26.53	24.03
Current service cost	37.64	32.98
Past service cost	-	-
Benefit paid	(24.41)	(14.72)
Actuarial (gain) / loss on obligations	35.37	100.43
Liability at the end of the year	442.90	367.77

Reconciliation of opening and closing balance of plan assets

Opening fair value of plan assets	260.13	190.99
Expected return on the plan assets	24.02	18.23
Contributions	104.40	68.30
Actuarial gain / (loss)	(3.87)	(2.67)
Benefits paid	(24.41)	(14.72)
Closing fair value of plan assets	360.27	260.13

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Particulars	(Rs. in lakhs)	
	2016-17	2015-16
Reconciliation of fair value of assets and obligations		
Present value of the obligation at the year end	442.90	367.77
Fair value of the plan assets at the year end	360.27	260.13
(Asset) / liability recognised in the Balance Sheet	82.63	107.64
Expenses recognised in the Statement of Profit and Loss:		
Current service cost	37.64	32.98
Interest cost	26.53	24.03
Actuarial (gain) / loss on obligations	39.24	103.10
Expected return on plan assets	(24.02)	(18.23)
Other gratuity expenses / (Reversal)	(0.20)	0.36
Total expense/ (credit) recognised in the Statement of Profit and Loss	79.19	142.24
Table of recognition of actuarial gain/loss:		
Actuarial (gain) / loss on obligation for the year	35.37	100.43
Actuarial (gain) / loss on asset for the year	(3.87)	(2.67)
Actuarial (gain) / loss recognised in income statement	31.50	97.76
Balance Sheet Reconciliation:		
Opening net liability	107.64	34.06
Expense recognised in Statement of Profit and Loss	79.19	142.24
Contribution	(104.40)	(68.30)
Other gratuity expenses / (Reversal)	(0.20)	0.36
Net amount recognised in the Balance Sheet	82.63	107.64
Details of present value of obligation, plan assets and experience adjustments:		
Present value of obligation	442.90	367.77
Fair value of plan assets	360.27	260.13
Experience Adjustments:		
On plan liability - (gain) / loss	35.37	100.43
On plan asset (loss) / gain	(3.87)	(2.67)
Gain / (loss) adjustments on account of change in actuarial assumptions	39.24	103.10
Details of present value of obligation, plan assets and experience adjustments are provided to the extent information is available.		
Investment Details:	2016-17	2015-16
Investment with insurer [LIC of India]	100%	100%
Expected employer's contribution for the next year	44.08	32.98

36.5 Leave benefits

Liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy / rules of the Company. Provision for short term leave benefit is calculated on arithmetic basis. The liability for leave benefits as at year end is Rs. 142.37 lakhs (Previous year: Rs. 115.58 lakhs). As per para 132 of Accounting Standard 15 - Employee Benefits, no other disclosure is required.

- 37** As per Section 135 of the Companies Act, 2013 a Corporate Social Responsibility (CSR) committee has been formed by the Company. The area for CSR activities are Education and Empowerment,

Employability and Entrepreneurship, Health and Sanitation and others.

(a) Gross amount required to be spent by the Company during the current year was Rs. 17.45 lakhs (Previous year : Rs. 18.97 lakhs).

(b) Details of amount spent during the year are as under:

(Rs. in lakhs)

Particulars	Year	In cash	Yet to be paid in cash	Total
Construction / Acquisition of assets	2016-2017	-	-	-
Other purposes		17.22	-	17.22
Construction / Acquisition of assets	2015-2016	-	-	-
Other purposes		10.36	-	10.36

37.1 In cash flow statement, cash flow from operating activities includes CSR amounting Rs. 17.22 lakhs (Previous year Rs. 10.36 lakhs)

38 Pursuant to the MCA notification G.S.R. 308(E) dated 31st March 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, are given below:

(Rs. in lakhs)

Particulars	SBNs	* Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.47	0.12	2.58
(+) Permitted receipts	-	4.29	4.29
(-) Permitted payments	-	1.76	1.76
(-) Amount deposited in bank	2.47	-	2.47
Closing cash in hand as on 30.12.2016	-	2.64	2.64

*Denomination wise details not available considering impracticability. Auditor have relied on the information / representation provided by the management.

39 Cash flow statement related:

39.1 Aggregate outflow on account of direct taxes paid is Rs. 165.33 lakhs (Previous year: Rs. 175.69 lakhs).

39.2 Conversion of Rupee term loan in foreign currency loan (USD) aggregating to Rs. 631 lakhs (Previous year: Rs. 855.58 lakhs) is not considered as cash transaction.

40 During the year, the Company has received a government grant of Rs. 214 lakhs from Steel Development Fund (SDF) of Ministry of Steel as first installment towards the contribution for the specified project which will help decreasing greenhouse gases emission. The total estimated cost of the project is Rs. 560 lakhs out of which contribution from SDF is Rs. 275 lakhs and balance Rs. 285 lakhs shall be contributed by the Company. As the project is ongoing, all direct cost and allocable costs (including depreciation) has been considered as intangible assets under development in compliance with Accounting Standard 26 - Intangible assets and equipments which are used for the project have been capitalised as tangible fixed assets. Further, government grant received of Rs. 214 lakhs is treated as deferred income in accordance with Accounting standard 12- Government Grants and disclosed accordingly.

41 During the current year dies have been reclassified from inventories to fixed assets in accordance with revised Accounting Standard 10 - ' Property, Plant and Equipment'. Accordingly, opening inventory of Rs. 906.12 lakhs has been transferred to fixed assets and depreciated based on the balance useful life. Due to this change, profit of before tax for the year is lower by Rs. 90.61 lakhs.

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42 Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

43 Previous years comparatives

Previous year's figures have been re-grouped / reclassified wherever necessary to conform to the current year's classification.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Milan Mody

Partner

Membership No. 103286

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Neeru Goyal

Director

DIN: 05017190

Suchita Singh

Company Secretary

Membership No. A43837

Rakesh Agarwal

Chief Financial Officer

Place: Mumbai

Date: 13th May 2017

Place : Navi Mumbai

Date: 13th May 2017

Independent Auditors' Report

**To
The Members of
Pradeep Metals Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Pradeep Metals Limited** (hereinafter referred to as "the Holding Company") and wholly owned subsidiary and step down subsidiary (the Holding Company and its wholly owned subsidiary and step down subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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.

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.

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 Holding 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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Opinion

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, of the consolidated state of affairs of the Group as at 31st March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of matter

1. Reference is invited to note 20.1 in respect of amount recoverable of Rs. 343.29 lakhs as on 31st March 2017 (as on 31st March 2016 of Rs. 216.00 lakhs) from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power generated from windmill prior to the date of entering into Power Purchase Agreement (PPA) with MSEDCL. Further, due to technical issues, no power was generated from 9th August 2016 till 6th May 2017 in respect of which claim for the compensation of Rs. 100 lakhs as accepted by the operator (upto March 2017) has been included in other operating income in the current year. The PPA has been executed with MSEDCL on 21st March 2017 and in view of the management, no uncertainty exist for the amount recoverable of Rs. 343.29 lakhs. Considering the same, in the opinion of management, no provision for doubtful receivables is required to be made.

Our opinion is not modified in respect of above matter. The matter of receivable from MSEDCL was also reported under EOM in our report for previous financial year ended 31st March 2016.

2. Reference is invited to note 44 of the notes to the consolidated financial statements in respect of dispute between wholly owned subsidiary (WOS) of the Holding Company and the partner in step down subsidiary (SDS) in USA. In the opinion of the management, appropriate steps are taken by the WOS in this matter. Further, based on the legal advice, in the consolidated financial statements for the current year, accounting effect has been given for impact due to change in acquisition date of SDS. In the opinion of management, further accounting adjustments (if any) in consolidated financial statements will be made only after the final outcome of the dispute. Our opinion is not modified in respect of above matter.
3. Reference is invited to note 42 to consolidated financial statements in respect of reclassification of dies from inventories to fixed assets in holding company in accordance with revised Accounting Standard 10 - 'Property, Plant and Equipment'. Accordingly, opening inventory of Rs. 906.12 lakhs has been transferred to fixed assets and depreciation has been charged on the balance useful life. Due to this change, depreciation is higher by Rs. 90.61 lakhs and profit before tax for the year is lower by Rs. 90.61 lakhs. Our opinion is not modified in respect of above matter.

Other matters

We did not audit the financial statements of one wholly owned subsidiary and one step down subsidiary included in the consolidated Statements, whose financial statements reflect total assets of Rs. 3,658.62 lakhs as at 31st March 2017, total revenues of Rs. 1,984.76 lakhs and net cash flows aggregating to Rs. 151.37 lakhs. The unaudited financial statements / financial information of wholly owned subsidiary and step down subsidiary prepared in accordance with generally accepted accounting principles in India, have been certified by the Holding Company's management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far it relates to the aforesaid subsidiaries, is based solely on such management certified financial statements / financial information.

Our opinion on the consolidated statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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 of aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company has subsidiary companies incorporated outside India, hence, Section 164(2) of the Act is not applicable to the subsidiary companies;
- f) With respect to adequacy of internal financial controls system over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report given in Annexure I which is based on the auditor's report of the Holding Company. The Holding Company has subsidiary companies incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary companies; and
- g) 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 Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer note 30(a)(b) and 30(b) to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management. – Refer Note 39 to the consolidated financial statements. The Holding Company has subsidiary companies incorporated outside India which do not hold any Indian currency notes, hence, this requirement is not applicable to the subsidiary companies.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai
Date: 13th May 2017

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Annexure I to Independent Auditors' Report of even date on the consolidated financial statements of Pradeep Metals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Holding Company") as of 31st March 2017 in conjunction with our audit of the consolidated financial statement of the Group for the year ended on that date. The Holding Company has subsidiary companies incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary companies

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error.

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.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statement for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide



reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statement.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In respect of inventory (recording of WIP and allocation of overheads) internal financial controls are being further strengthened to commensurate with the size of the Holding Company and nature of its business.

In our opinion, read with our comment with respect to inventory above, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 13th May 2017

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

(Rs. in lakhs)

Particulars	Note No.	As at 31 st March 2017	As at 31 st March 2016
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	1,726.26	1,726.26
Reserves and surplus	3	<u>2,004.68</u>	<u>1,967.03</u>
		<u>3,730.94</u>	<u>3,693.29</u>
Minority interest		91.12	417.75
Government grant pending apportionment to profit & loss	41	214.00	-
Non-current liabilities			
Long term borrowings	4	2,381.92	2,393.39
Deferred tax liabilities (Net)	5	504.41	412.95
Long term provisions	6	81.70	176.42
Other long term liabilities	7	-	2.66
		<u>2,968.03</u>	<u>2,985.42</u>
Current liabilities			
Short-term borrowings	8	6,060.17	5,856.08
Trade payable			
- Due to micro and small enterprises	9	-	-
- Due other than to micro and small enterprises	9	1,744.49	1,195.70
Other current liabilities	10	1,783.70	1,348.85
Short-term provisions	11	178.51	96.90
		<u>9,766.87</u>	<u>8,497.54</u>
Total		<u>16,770.96</u>	<u>15,593.99</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets- Property plant and equipment	12	4,671.30	4201.25
Intangible assets		1,238.09	68.30
Capital Work-in-Progress		587.42	253.04
Intangible assets under development		97.20	-
Goodwill on consolidation		247.13	1628.87
Non-current investments	13	0.05	0.05
Long term loans and advances	14	718.65	774.70
Other non-current assets	15	-	0.74
		<u>7,559.83</u>	<u>6926.95</u>
Current assets			
Inventories	16	3,473.46	3789.39
Trade receivables	17	4,041.75	3304.81
Cash and bank balances	18	413.11	386.49
Short-term loans and advances	19	203.51	219.05
Other current assets	20	1,079.30	967.30
		<u>9,211.13</u>	<u>8667.04</u>
Total		<u>16,770.96</u>	<u>15593.99</u>
Significant accounting policies	1		
Other notes	2 to 48		

Notes referred to herein above form an integral part of consolidated financial statements.

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Suchita Singh
Company Secretary
Membership No. A43837

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

Place: Mumbai
Date: 13th May 2017

Place : Navi Mumbai
Date: 13th May 2017


PRADEEP METALS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

(Rs. in lakhs)

Particulars	Note No.	year ended 31 st March 2017	year ended 31 st March 2016
Revenue			
Revenue from operations	21	13,617.48	14,648.35
Less: Excise duty		(418.87)	(396.60)
Revenue from operations (net)		13,198.61	14,251.75
Other income	22	137.27	194.60
Total revenue		13,335.88	14,446.35
Expenses			
Cost of material consumed	23	5,680.60	6,187.76
Changes in inventories of finished goods, work-in-progress and scrap	24	(278.22)	94.21
Manufacturing expenses	25	3,243.82	3,165.14
Employee benefit expenses	26	2,378.91	2,762.23
Finance costs	27	630.82	770.38
Depreciation and amortization expense	12	507.07	467.52
Administrative, selling and distribution expense	28	1,116.85	936.01
Total expenses		13,279.85	14,383.25
Profit before prior period items, exceptional items and taxes		56.03	63.10
Prior period items - (income) / expenses (net)	29	(40.75)	24.30
Profit before exceptional items and taxes		96.78	38.80
Exceptional items	44	(155.46)	-
Profit / (Loss) before taxes		(58.68)	38.80
Tax expense:			
Current tax			
- Current tax		240.25	103.84
- MAT Credit entitlement		-	(41.80)
- Deferred tax charge / (Credit)		23.91	75.94
- Income tax, deferred tax and MAT credit of earlier years (net)		5.47	(29.52)
		269.63	108.46
Profit / (Loss) after tax before minority interest		(328.31)	(69.66)
Less / (add): Allocation to minority interest		(393.01)	(144.61)
Net profit for the year		64.70	74.95
Basic and diluted earnings / (loss) per share			
Equity shares (Face value of Rs. 10 each)	33	0.37	0.43
Significant accounting policies	1		
Other notes	2 to 48		

Notes referred to herein above form an integral part of consolidated financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 13th May 2017

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Suchita Singh
Company Secretary
Membership No. A43837

Place: Navi Mumbai
Date: 13th May 2017

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

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Consolidated Cash Flow Statement for the year ended 31st March 2017

(Rs. in lakhs)

Particulars	Note	2016 - 2017	2015 - 2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit / (loss) before exceptional items, prior period items and taxation		56.03	63.10
Adjustments for:			
Depreciation (net of prior period depreciation)	507.07	467.52	
Provision for doubtful debts / other current assets / (written back)	(12.40)	18.93	
Provision for contingency / (written back) (net)	(6.92)	15.89	
Unrealised foreign exchange (gain) / loss	(77.52)	159.88	
Impact of foreign exchange translation (net)	(11.21)	(15.53)	
(Profit) / loss on sale of fixed asset (net)	23.66	(5.58)	
Interest expenses	630.82	770.38	
Interest income	(8.83)	(2.16)	
		1,044.67	1,409.33
Operating profit before changes in assets and liabilities		1,100.70	1,472.43
Movements in working capital: [Current and Non-current]			
(Increase) / decrease in loans & advances and other current assets	(159.08)	(280.35)	
(Increase) / decrease in inventories	300.09	503.70	
(Increase) / decrease in trade receivable	(423.76)	1,114.35	
Increase / (decrease) in trade payable, other current liabilities and provisions	647.84	365.09	(1,549.97)
		1,465.79	1,260.16
Less: Exceptional item (also refer note 44)		155.46	-
Less: Prior period items (also refer note 45)		(40.75)	49.12
		1,351.08	1,211.04
Adjustment for:			
Direct taxes paid [including tax deducted at source]		149.33	204.60
Net cash generated / (used in) from operating activities...(A)		1,201.75	1,006.44
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets (Including capital advances)	(1,496.84)	(1,245.31)	
Sale of fixed asset	8.48	29.17	
(Increase) / decrease in other bank balances and non-current assets [Other than cash and cash equivalent]	6.22	(13.08)	
Government grant received	214.00	-	
Investments made	-	(0.05)	
Interest received	8.83	2.16	
	(1,259.31)	(1,227.11)	
Adjustment for:			
Direct taxes paid [including tax deducted at source]	0.06	0.07	
Net cash generated / (used in) from investing activities...(B)		(1,259.37)	(1,227.18)

(Rs. in lakhs)

Particulars	Note	2016 - 2017	2015 - 2016
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowing		959.09	1,824.44
Repayment of long term borrowing		(462.76)	(174.18)
Increase / (decrease) in working capital loan (Net)		215.03	(469.45)
Proceeds from short term borrowing		-	102.22
Repayment of short term borrowings		-	-
Dividend paid (Including dividend distribution tax)		-	(361.08)
Minority contribution		-	161.54
Interest paid on loans		(621.65)	(723.49)
Net cash generated / (used in) from financing activities...(C)		89.71	360.00
Net increase in cash and cash equivalents...(A + B + C)		32.09	139.26
Cash and cash equivalents at the beginning of the year	18 & 40	343.39	204.13
Cash and cash equivalents at the end of the year		375.48	343.39
		32.09	139.26
Significant accounting policies	1		
Other notes	2 to 48		

Notes referred to herein above form an integral part of consolidated financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 13th May 2017

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Suchita Singh
Company Secretary
Membership No. A43837

Place : Navi Mumbai
Date: 13th May 2017

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

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Notes on consolidated financial statements for the year ended 31st March 2017

1. Significant accounting policies

1.1. Corporate information

Pradeep Metals Limited (hereinafter referred to as 'the Parent Company', 'the Company' or 'Holding Company') is a public company domiciled in India. Its shares are listed on BSE Limited in India. Holding company together with its wholly owned subsidiary and step down subsidiary ('subsidiaries') is referred to as "the Group". The Group is engaged in the manufacturing and selling of forged and steel components. The Group caters to both domestic and international markets.

1.1 Principles of consolidation

- (a) Subsidiaries have been consolidated as per Accounting Standards 21 - on 'Accounting for Consolidated Financial Statements' (AS 21).
- (b) Financial statements of subsidiaries included in the consolidated financial statements are unaudited and have been prepared in accordance with generally accepted accounting principles in India and certified by management for the purpose of consolidated financial statements.
- (c) The consolidated financial statements of the Holding Company and its subsidiaries (which is not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating intra-group balances and the unrealised profits / losses on intra-group transactions and are presented to the extent possible, in the same manner as the Holding Company's independent financial statements.
- (d) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statement.
- (e) Minority interest in the net asset of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Holding Company in the subsidiaries and further movements in their share in the equity subsequent to the dates of investments as stated above.

The excess losses attributable to minority in the equity of the Subsidiary Companies are adjusted against the majority interest except to the extent that the minority has binding obligation to, and is able to, make good the losses.

- (f) Goodwill on consolidation represents the difference between the Group's share in the net worth of a subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation. Goodwill arising on consolidation as per Accounting Standard (AS) 21 "Consolidated Financial Statements" is not amortized, however, it is tested for impairment. In the event of cessation of operations of subsidiaries, goodwill is written off fully.
- (g) The subsidiaries considered in consolidated financial statements and its country of incorporation is as tabulated below:

Sr. no.	Name of the entity	Country of incorporation	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiary)	
			As at 31 st March 2017	As at 31 st March 2016
(A)	Wholly owned subsidiary company			
1.	Pradeep Metals Limited Inc.	USA	100%	100%
(B)	Step down subsidiary			
1.	Dimensional Machine Works, LLC	USA	51%	51%

1.2. Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

The accounting policies followed in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31st March 2016 except for changes to comply with the amendments in accounting standards as per the Companies (Accounting Standards) Amendment Rules, 2016. Refer note no. 41 in respect of change in accounting of Dies.

1.3. Presentation and disclosure of consolidated financial statements

All assets and liabilities have been classified as current & non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/ non-current classification of assets & liabilities, period of 12 months has been considered as normal operating cycle.

1.4. Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of consolidated financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.5. Property, Plant and Equipment (tangible asset)

1.5.1. Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and where applicable accumulated impairment losses. Gross carrying amount of all property, plant and equipment are measured using cost model.

1.5.2. Cost of fixed assets includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset (as per Accounting Standard 16 – Borrowing Costs) and any directly attributable costs of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

1.5.3. Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

1.5.4. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the balance sheet date.

1.5.5. Property, plant and equipment are eliminated from consolidated financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the consolidated statement of profit and loss in the year of occurrence.

1.5.6. Items of stores and spares (dies) that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life.

1.6. Intangible assets

1.6.1. Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are

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stated at cost of acquisition/ development less accumulated amortization and accumulated impairment loss, if any.

- 1.6.2. Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- 1.6.3. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the balance sheet date.
- 1.6.4. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.
- 1.6.5. In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.
- 1.6.6. Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the business recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorate on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.7. Depreciation / amortization

- 1.7.1. Depreciation on fixed assets (other than freehold land, leasehold land and capital work in progress) is provided using straight line basis in consonance with Schedule II of the Companies Act, 2013 except for the items prescribed in 1.7.2 where the useful life is different as compared to Schedule II based on internal technical assessment made by the management.
- 1.7.2. The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Tangible asset	Useful life
Machinery for heavy production/ Press/ Cranes etc.	15 Years
Dies	10 Years
Equipments & other assets (step down subsidiary)	7 years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Individual assets whose cost does not exceed five thousand rupees	Nil. Depreciated fully in the year of Capitalisation

- 1.7.3. The useful lives of the property, plant and equipment not covered in table 1.7.2 above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Factory building	30 Years
Electrical installation	10 Years
Office equipment	5 Years
Computers	3 Years
Furniture & fittings	10 Years
Motor vehicles	8 Years
Windmill	22 Years

- 1.7.4. In case of assets purchased, sold or discarded during the period, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- 1.7.5. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- 1.7.6. Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II.
- 1.7.7. Intangible assets are amortized over their estimated useful lives on straight-line method.

Intangible asset	Estimated useful life
(a) ERP software	10 years
(b) Other software	3 years
(c) Goodwill on business acquisition (DMW operations)*	25 years

*Goodwill on consolidation as disclosed in the previous year has been restated in current year based on revised working to goodwill on acquisition and amortisation has been considered as per the management estimate.

1.8. Research & Development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility and other criteria as set out in paragraph 44 of AS 26 - 'Intangible Assets' have been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible assets.

1.9. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognized impairment loss is further provided depending on changes in circumstances. After recognition of impairment loss, the depreciation / amortisation charge for the property, plant and equipment / intangible is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation/ amortization had no impairment loss been recognised in earlier years.

1.10. Inventories

- 1.10.1. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

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1.10.2. Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The cost of finished goods also includes excise duty wherever applicable.

1.10.3. Scrap is valued at net realisable value.

1.11. Investments

Investments are classified into current and long-term investments.

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value / net asset value determined on category wise for related investments. Long term investments are carried at cost. Provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis.

The cost of investments comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

1.12. Government grant

Government grants available to the Holding Company are considered for inclusion in accounts:

- Where there is reasonable assurance that the Holding Company will comply with the conditions attached to them; and
- Where such benefits have been earned by the Holding Company and it is reasonably certain that the ultimate collection will be made.

The grant received by the Holding Company is accounted as deferred income in accordance with Accounting Standard 12- Government Grants.

1.13. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- Domestic sales of goods are recognized when significant risks and rewards of ownership of the goods have been passed to the buyer which generally coincides with dispatch of goods and are recorded inclusive of excise duty and net of sales tax, rebates and trade discounts and sales returns.
- Exports sales of goods are recognized when significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of shipping bill / bill of lading as per the applicable terms.
- Revenue from job work and tooling charges (die design and preparation charges for customers) are recognised as per the terms of the contract and as and when services are rendered.
- Revenue from sales of electricity is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- Export incentives / benefits

Export incentives / benefits are recognised as income in Consolidated Statement of Profit and Loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods/sale of license in open market.

1.14. Foreign currency transactions

1.14.1. Accounting for transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.

Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16- Borrowing Cost.

The premium or discount arising at the inception of forward exchange contracts, which are not intended for trading or speculation purposes are amortised as income or expense over the life of the contract. Outstanding forward exchange contracts as at the reporting date are translated at closing rate and any exchange difference arising on such contracts are recognised in the Consolidated Statement of Profit and Loss in the year in which exchange rate changes. Any profit or loss on cancellation or renewal of forward exchange contracts are recognised as income or expense of the year.

1.14.2. Translation of foreign operations

Financial statements of overseas non-integral operations are translated as under:

- a) Assets and Liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the average rate prevailing during the year.
- b) Revenue and expenses at average rates prevailing during the year. Off Balance Sheet items are translated into Indian Rupees at year-end rates.
- c) Exchange differences arising on translation are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

1.15. Employee benefits

1.15.1. Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at undiscounted amount in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

1.15.2. Post-employment benefits

- **Defined Contribution Plan**

The Holding Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme and Employee Pension Scheme and step down subsidiary's defined contribution plan includes social security, health and insurance funds. The defined contribution plan is post-employment benefit plan under which the Holding Company & step down subsidiary contributes fixed contribution amount to a government administered fund and will have no obligation to pay further contribution. The fixed contribution under the schemes is recognized in Consolidated Statement of Profit and Loss during the period in the period in which employee renders the related service.

- **Defined Benefit Plan and other long-term benefits**

- ♦ The Holding Company has defined benefit plans comprising of gratuity and other long term benefits include leave benefits. For gratuity, the Holding Company has a Group Gratuity-cum-Life Insurance Scheme with Life Insurance Corporation of India (LIC), for future payment of gratuity to employees at retirement, death while in employment or on termination. Leave benefits are non-funded. The present value of the defined benefit obligations and other long term benefits is determined based on actuarial valuation using the projected unit credit method. The rate

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used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The expected return on plan assets is the Holding Company's expectation of average long term rate of return on the investment of the fund over the entire life of the related obligation. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

- ♦ Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Consolidated Statement of Profit and Loss as income or expense.
- ♦ Step Down Subsidiary Company has short term employee benefits in the form vacation allowance. Liability for vacation allowance benefits is short term in nature and is unfunded. It is determined on arithmetical basis for expected outflow in next financial year.

1.16. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

1.17. Operating lease

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are recognised on a straight-line basis as an expense in the Consolidated Statement of Profit and Loss over the lease term of respective lease arrangement.

1.18. Taxes on income

Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of applicable tax laws of the respective countries.

In respect of Holding Company, tax expenses comprise of current tax, minimum alternate tax, deferred tax charge or credit and adjustments of taxes for earlier years. Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date.

At each Balance Sheet date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably / virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In respect of Holding Company, Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT [calculated in accordance with provisions of section 115JB of the Income tax Act, 1961 (the Act)] over normal income-tax is recognized as an asset by crediting the Consolidated Statement of Profit and Loss only when and to the extent there is convincing evidence that the Holding Company will be able to avail the said credit against normal tax payable during the period specified under the Act for



utilisation. The Holding Company reviews the MAT credit entitlement asset at each reporting date for reversal, if any.

1.19. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1.20. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.21. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except (a) retirement benefits and (b) dismantling / decommissioning liabilities that are recognised as cost of Property, Plant and Equipment) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither disclosed nor recognised.

1.22. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.23. Segment reporting

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organisation structure and internal financial reporting system. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

1.24. Prior period items

Prior period items are disclosed separately in the consolidated financial statements.

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Notes on consolidated financial statements for the year ended 31st March 2017

2 Share capital

	(Rs. in lakhs)	
	As at	As at
	31 st March 2017	31 st March 2016
2.1 Authorised capital		
Equity share capital		
18,500,000 (Previous year: 18,500,000) Equity Shares of Rs.10 each	1,850.00	1,850.00
550,000 (Previous year: 550,000) Preference Shares of Rs.100 each	550.00	550.00
Total	<u>2,400.00</u>	<u>2,400.00</u>
2.2 Issued, subscribed and paid up		
17,270,000 (Previous year: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Subscribed and paid up		
17,270,000 (Previous year: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Less: Call in arrears (other than directors / officers)	(0.74)	(0.74)
Total	<u>1,726.26</u>	<u>1,726.26</u>
2.3 Reconciliation of number of equity shares outstanding		
Shares outstanding at beginning of the year	17,270,000	17,270,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>17,270,000</u>	<u>17,270,000</u>
2.4 Shares held by each shareholder holding more than 5% shares		

Name of shareholder	As at 31st March 2017		As at 31st March 2016	
	Number of Shares	% of holding	Number of Shares	% of holding
S. V. Shah Construction Services Private Limited	3,805,061	22.03	3,805,061	22.03
Pradeep Goyal	1,576,400	9.13	1,576,400	9.13
Rabale Engineering (I) Private Limited	6,167,481	35.71	6,167,481	35.71
Mrs. Neeru P. Goyal*	919,927	5.33	-*	-*
Mr. Kewal Krishna Nohria	890,000	5.15	926,700	5.36

*Previous year holding is not more than 5% and hence figures are not disclosed.

2.5 Rights, preferences and restrictions of equity shares

The Holding Company has issued only one class of shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Holding Company, after distribution of all preferential amounts (after due adjustments in case shares are not fully paid up). However, no such preferential amounts exist currently.

		(Rs. in lakhs)	
		As at 31 st March 2017	As at 31 st March 2016
3	Reserve and surplus		
	Security premium account		
	Opening balance	515.98	515.98
	Add: Transferred from consolidated statement of profit and loss	-	-
		515.98	515.98
	General reserve		
	Opening balance	211.60	211.60
	Add: Transferred from consolidated statement of profit and loss	-	-
		211.60	211.60
	Capital reserve on consolidation		
	Opening balance	13.94	-
	Add: Capital reserve arising on consolidation (Pertaining to earlier year)	-	13.94
		13.94	13.94
	Surplus balance in consolidated statement of profit and loss		
	Opening balance	1,169.43	1,257.95
	Add:		
	Net profit / (loss) transferred from consolidated statement of profit and loss	64.70	74.95
	Less:		
	Consolidation adjustment on account of elimination of unrealised profit in opening inventory	(15.84)	-
	Interim dividend (including dividend distribution tax of Rs. Nil (Previous year: Rs. 21.10 lakhs))	-	(124.71)
	Prior period adjustment of step down subsidiary (Refer note 45)	-	(24.82)
	Capital reserve arising on consolidation (Pertaining to period prior to FY 2015-16)	-	(13.94)
		1,218.29	1,169.43
	Foreign currency translation reserve		
	Opening balance	56.08	71.61
	Addition / (Deduction) during the year	(11.21)	(15.53)
		44.87	56.08
	Total	2,004.68	1,967.03
4	Long term borrowings		
	Secured		
	Term loans		
	From banks		
	- Term loan [Refer note 4.1(i) & (ii) and 4.2]	2,331.05	2,314.66
	- Vehicle loan [Refer note 4.1(iii) and 4.2]	39.66	58.39
	From others		
	- Vehicle loan [Refer note 4.1(iii) and 4.2]	11.21	20.34
	Total	2,381.92	2,393.39

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4.1 Details of security provided

- (i) In respect of Holding Company, term loans (Foreign Currency Loan & Rupee Loan) are secured by first charge on pari passu basis on fixed assets of the Holding Company (present and future) and second charge on its current assets. The loans are further secured by personal guarantee of Chairman and Managing Director of the Holding Company.
- (ii) In case of Subsidiary Company, term loan is secured by :-
- First charge on pari passu basis over the fixed assets of the Holding Company and it's corporate guarantee.
 - Pledge of over 60 Shares and non-disposal undertaking of 140 Shares held by Holding Company in Wholly Owned Subsidiary.
 - Pledge of over 30% membership interest and non-disposal undertaking of 21% membership interest held by Wholly Owned Subsidiary in Step Down Subsidiary.
 - Personal guarantee of Chairman and Managing Director of the Holding Company.
- (iii) Vehicle loans from bank and others are secured against hypothecation of the vehicles purchased. Further, vehicle loan of Holding Company is secured by personal guarantee of Chairman and Managing Director and a Director of the Holding Company.

4.2 Terms of repayment and maturity profile of the term loan is as set out below:

(Rs. In lakhs)

Particulars	Amount*	Terms of repayment
Term loan VII	97.49 (206.90)	Repayable in 15 quarterly installments of Rs. 27.35 lakhs each starting from July 2014 and last installment payable of Rs. 15.43 lakhs.
Term loan VIII	- (357.57)	Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016.
Foreign currency term loan VIII	343.24 (-)	Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016. This loan was converted into foreign currency loan with tenure of 6 months and eligible for rollover at the end of tenure of loan. However, overall loan arrangement was as per original terms of sanction and hence same is grouped as long term loan.
Foreign currency term loan IX	754.59 (835.61)	Repayable in 21 quarterly installments of Rs. 50.00 lakhs each starting from January 2017. This loan was converted into foreign currency loan with tenure of 6 months and eligible for rollover at the end of tenure of loan. However, overall loan arrangement was as per original terms of sanction and hence same is grouped as long term loan.
Term loan X	63.25 (-)	Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017.
Foreign currency term loan X	264.48 (-)	Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017. This loan is converted into foreign currency loan with tenure of 6 months and eligible for rollover at the end of tenure of loan. However, overall loan arrangement is as per original terms of sanction and hence same is grouped as long term loan.
WCTL	500.00 (-)	Repayable in 17 quarterly installments of Rs. 30.00 lakhs each starting from September 2017.
Foreign currency loan	1,167.09 (1,326.66)	Repayable in 20 quarterly installments of USD 100,000 starting from October 2016.
Vehicle loan	48.42 (99.64)	(i) In case of Holding Company, repayable in 60 monthly installments of Rs. 1.56 lakhs (including interest) each starting from February 2016.(ii) In case of Subsidiary Company, repayable in 48 installments from July 2015.

* Figures in bracket pertains to previous year.

Note : Above figures are including current maturity disclosed in Note 10.

		(Rs. in lakhs)	
		As at	As at
		31 st March 2017	31 st March 2016
5	Deferred tax liabilities (net)		
	A - Deferred tax liabilities		
	Differences in depreciation and amortization for accounting and income tax purposes	620.23	542.13
	Total (A)	<u>620.23</u>	<u>542.13</u>
	B - Deferred tax assets		
	Provision for doubtful debts / advances	13.74	10.07
	Provision for employee benefits	74.38	73.80
	Disallowance under section 43B of Income Tax Act, 1961	27.70	45.31
	Total (B)	<u>115.82</u>	<u>129.18</u>
	Net deferred tax liabilities (A-B)	<u>504.41</u>	<u>412.95</u>
6	Long term provisions		
	Provision for employee benefits		
	- Leave benefits (Refer note 37.5)	43.15	101.76
	- Gratuity (Refer note 37.4)	38.55	74.66
	Total	<u>81.70</u>	<u>176.42</u>
7	Other long term liabilities		
	Deferred penalty payable	-	2.66
	Total	<u>-</u>	<u>2.66</u>
8	Short term borrowings		
	Secured		
	From bank		
	Working capital loans		
	- Cash credit (Repayable on demand) [Refer note 8.1]	1,772.12	1,951.33
	- Packing credit	2,572.98	2,531.09
	- Bills discounted	1,627.63	1,271.44
	From others		
	- Machinery loan [Refer note 8.2]	87.44	102.22
	Total	<u>6,060.17</u>	<u>5,856.08</u>
8.1	Details of security provided on working capital loans		
	Working capital loans are secured by charge on pari passu basis on entire current assets of the Holding Company including bills discounted / purchased and second charge on its fixed assets. The loans are further secured by personal guarantee of Chairman and Managing Director of the Holding Company.		
8.2	Machinery loan is secured by hypothecation of machine and is guaranteed by partners in step down subsidiary i.e. Pradeep Metals Limited, Inc. and other partner.		
9	Trade payable		
	- Amount due to micro and small enterprises [Refer note 9.1]	-	-
	- Others	1,744.49	1,195.70
	Total	<u>1,744.49</u>	<u>1,195.70</u>
9.1	Under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act], certain disclosures are required to be made relating to Micro and Small Enterprises in India. The Holding Company has not received any information from its suppliers about their coverage under the MSMED Act and as such no further disclosures are required to be made. Auditors have relied on the same.		

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		(Rs. in lakhs)	
		As at	As at
		31 st March 2017	31 st March 2016
10	Other current liabilities		
	Current maturity of long term borrowing		
	- Term loans	859.10	412.08
	- Vehicle loan	27.39	20.90
	Interest accrued but not due	56.05	46.89
	Unpaid dividend	31.45	35.50
	Advances from customers	9.27	6.07
	Statutory Liabilities	36.73	18.19
	Accrued expenses	245.73	212.45
	Salary and wages payable	101.90	75.54
	Trade payable for capital goods		
	- Amounts due to micro and small enterprises [Refer note 9.1]	-	-
	- Due other than to micro and small enterprises	159.56	190.87
	Forward contract foreign currency payable (net)	0.64	-
	Purchase consideration payable to seller	175.66	287.41
	Others liabilities	80.22	42.95
	Total	<u>1,783.70</u>	<u>1,348.85</u>
11	Short term provisions		
	Provision for employee benefits		
	- Leave benefits (Refer note 37.5)	99.22	21.79
	- Gratuity (Refer note 37.4)	44.08	32.98
	Provision for contingency (Refer note 11.1)	35.21	42.13
	Total	<u>178.51</u>	<u>96.90</u>

11.1 Movement of provision for contingencies as per Accounting Standard - 29 'Provisions, Contingent Liability and Contingent Asset'

Particulars*	Margin on sales Return(a)	Provision for bonus(b)	NMMC(c)	Total(a+b+c)
Opening balance	0.89	26.25	15.00	42.14
	(-)	(26.25)	(-)	(26.25)
Add: Provision made	0.27	-	19.94	20.21
	(0.89)	(-)	(15.00)	(15.89)
Less: Utilised / paid	0.89	-	-	0.89
	(-)	(-)	(-)	-
Add: Write back	-	26.25	-	26.25
	(-)	(-)	(-)	(-)
Closing balance	0.27	-	34.94	35.21
	(0.89)	(26.25)	(15.00)	(42.13)

*Figures in bracket pertains to previous year

Note: Provision for contingency represents (a) provision for expected margin on sales return; (b) provision for bonus payable for earlier years; and (c) provision for disputed Navi Mumbai Municipal Cess ('NMMC') liability. In respect of (a) the outflow is expected to be within a period of one year. In respect of (c) the Holding Company has paid Rs. 60.29 lakhs under protest during the year. Rs. 11.37 lakhs was paid in previous year and had been treated as an expense in that year. Expected outflow of interest / penalty depends on outcome of the appeal filed.



Notes on consolidated financial statements for the year ended 31st March 2017

12 Fixed assets

12.1 Fixed assets as at 31st March 2017

(Rs. in lakhs)

Particulars	Gross block				Depreciation / amortization				Net block				
	At 1 st April 2016	Adjustment to opening balance (Note 4)	Additions	Sales / Dispose during the year	Exchange adjustment	At 31 st March 2017	At 1 st April 2016	Adjustment to opening balance (Note 4)	For the year	Deletions adjust-ments	Exchange adjust-ment	At 31 st March 2017	At 31 st March 2017
Tangible assets													
Leasehold land	55.81	-	-	-	-	55.81	13.71	-	0.60	-	-	14.31	41.50
Freehold land	56.70	-	-	-	-	56.70	-	-	-	-	-	-	56.70
Factory buildings	935.45	14.95	26.34	22.06	-	954.68	211.98	-	30.19	7.37	-	234.80	719.88
Plant and machinery	4,164.20	(249.77)	100.76	225.15	(9.01)	3,781.03	2,230.37	(36.27)	229.15	207.81	(2.62)	2,212.83	1,568.28
Microwave Machinery (R & D)	-	-	115.94	-	-	115.94	-	-	28.99	-	-	28.99	86.95
Wind mill	1,279.51	-	-	-	-	1,279.51	55.40	-	55.25	-	-	110.65	1,168.86
Electrical installation	197.65	-	13.04	-	-	210.69	146.05	-	10.84	-	-	156.89	53.80
Office equipment	19.86	-	0.76	2.02	-	18.59	17.98	-	0.12	1.92	-	16.18	2.41
Computers	40.65	-	4.81	-	-	45.47	34.79	-	2.14	-	-	36.93	8.54
Furniture and fixtures	35.00	(1.05)	15.43	-	(0.15)	49.23	7.59	(0.09)	4.05	-	(0.03)	11.70	37.53
Vehicles	195.43	-	0.59	-	(1.00)	195.03	61.19	-	22.86	-	(0.36)	83.69	111.34
Dies (Refer note 42)	-	-	906.12	-	-	906.12	-	-	90.61	-	-	90.61	815.51
Sub-total (A)	6,980.26	(235.87)	1,183.79	249.23	(10.16)	7,668.80	2,779.06	(36.36)	474.80	217.10	(3.01)	2,997.58	4,671.30
Intangible assets													
(Other than internally generated)													
Software	104.41	-	2.12	-	-	106.53	36.12	-	8.75	-	-	44.87	61.67
Goodwill on acquisition	-	1,307.37	-	-	(29.45)	1,277.92	-	(52.51)	52.51	-	(3.52)	101.50	1,176.42
Sub-total (B)	104.41	1,307.37	2.12	-	(29.45)	1,384.45	36.12	(52.51)	61.26	-	(3.52)	146.37	1,238.09
Total [(A) + (B)]	7,084.67	1,071.50	1,185.91	249.23	(39.61)	9,053.25	2,815.18	(88.87)	536.06	217.10	(6.53)	3,143.95	5,909.38

12.2 Particulars

Depreciation as per table 12.1 above

Less: Depreciation allocated to intangible assets under development

Net depreciation as per consolidated statement of profit & loss

(Rs. in lakhs)

2016-17
536.06
28.99
507.07

2015-16
467.52
-
467.52

12.3 Fixed assets as at 31st March 2016 (Rs. in lakhs)

Particulars	Gross block				Depreciation / amortization				Net block		
	At 1st April 2015	Adjustment to opening balance	Additions	Deductions	Exchange adjustment	At 31st March 2016	At 1st April 2015	For the year	Deletions/ adjustments	Exchange adjustment	At 31st March 2016
Tangible assets											
Leasehold land (Refer note 12.6)	55.81	-	-	-	-	55.81	-	13.72	-	-	13.72
Freehold land	56.70	-	-	-	-	56.70	-	-	-	-	56.70
Factory buildings	355.34	-	580.11	-	-	935.45	191.19	20.79	-	-	723.48
Plant and machinery	3,435.43	13.70	735.25	38.66	18.48	4,164.20	1,933.34	311.12	15.30	1.21	1933.87
Wind mill	1,279.51	-	-	-	-	1,279.51	0.15	55.25	-	-	1224.11
Electrical installation	162.36	-	35.29	-	-	197.65	131.98	14.07	-	-	51.60
Office equipment	18.34	-	1.52	-	-	19.86	13.06	4.92	-	-	1.88
Computers	33.37	-	7.29	-	-	40.65	26.38	8.41	-	-	5.86
Furniture and fixtures	17.35	0.84	18.39	-	0.10	35.00	4.91	2.67	-	-	27.41
Vehicles	76.87	-	123.20	4.64	-	195.44	45.99	19.52	4.41	0.09	134.25
Sub-total (A)	5,491.08	14.54	1,501.05	43.30	18.58	6,980.27	2,347.00	450.47	19.71	1.30	4,201.25
Intangible assets (Other than internally generated)											
Software	36.87	-	67.54	-	-	104.42	19.07	17.05	-	-	68.30
Sub-total (B)	36.87	-	67.54	-	-	104.42	19.07	17.05	-	-	68.30
Total [(A) + (B)]	5,527.95	14.54	1,568.59	43.30	18.58	7,084.69	2,366.07	467.52	19.71	1.30	4,269.55

12.4 Depreciation as per statement of P & L of Rs. 507.05 lakhs is net of reversal of excess depreciation of Rs. 38.50 lakhs charged in previous year.

12.5 Disclosure required as per paragraph 82(b) of Accounting Standard 10 Property, Plant & Equipments - amount capitalised under gross block includes Rs. 26.34 lakhs (P.Y. Rs. 595.06 lakhs) being the amount of capital expenditure incurred on self constructed assets. Further such amount included under CWIP is aggregating to Rs. 587.42 lakhs (P.Y. Rs. 229.70 lakhs)

12.6 Factory Building is constructed on Leasehold Land.

12.7 Movement of capital work in progress

(Rs. in lakhs)

Particulars	2016-17				2015-16			
	P & M	Building	Others	Total	P & M	Building	Others	Total
Opening capital work in progress	3.00	229.70	20.34	253.04	122.89	481.60	87.40	691.90
Add: Addition during the year	73.03	377.81	119.71	570.55	198.08	336.38	8.99	543.45
Less: Assets capitalized / reversed during the year	76.03	20.09	140.05	236.17	317.97	588.28	76.06	982.31
Closing capital work in progress	-	587.42	-	587.42	3.00	229.70	20.33	253.04

12.8 Movement of intangible assets under development

(Rs. in lakhs)

Particulars	2016-17	2015-16
Opening intangible under development	-	65.65
Add: Addition during the year	97.20	1.89
Less: Intangible capitalized / reversed during the year	-	67.54
Closing capital work in progress	97.20	-

12.9 Details of remaining amortization period and carrying value of major items of intangible assets is as given below:

Description	Carrying amount as at (Rs. in lakhs)		Remaining useful life as at (months)	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Microsoft Office	3.12	3.22	11 to 24	11 to 24
Epicore software	56.78	63.10	100	112
Goodwill on acquisition	1,176.42	1,254.86	23	24

12.10 Please refer to Notes 4.1 and 8.1 in respect of first pari passu and second charges created on the fixed assets.

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		(Rs. in lakhs)	
		As at	As at
		31 st March 2017	31 st March 2016
13	Non-current investments		
	(At cost, unless otherwise specified)		
	Long term investment		
	Unquoted investment		
	(a) Other investments		
	TJSB Sahkari Bank Limited	0.05	0.05
	(100 (Previous year: 100) shares of Rs. 50 each)		
	Total	<u><u>0.05</u></u>	<u><u>0.05</u></u>
13.1	Other disclosures of investment		
	Aggregate cost of unquoted investment	0.05	0.05
	Aggregate cost of quoted investment	-	-
	Market value of quoted investment	-	-
	Provision for diminution in value of investment	-	-
14	Long term loans and advances		
	(Unsecured, considered good unless otherwise stated)		
	Capital advances	372.73	462.63
	Security deposits	49.64	49.00
	Advance income tax [Net]	168.13	190.28
	MAT credit entitlement	62.25	68.87
	Prepaid expenses	5.61	3.92
	Payment under protest (Refer note 11.1)	60.29	-
	Total	<u><u>718.65</u></u>	<u><u>774.70</u></u>
15	Other non-current assets		
	(Unsecured, considered good unless otherwise stated)		
	Bank Deposit (under lien) [Refer note 15.1 below]	-	0.74
	Total	<u><u>-</u></u>	<u><u>0.74</u></u>
15.1	Bank deposit aggregating to Rs. Nil (Previous year: Rs. 0.74 lakhs) are under lien with banks towards guarantees issued by bank.		
16	Inventories		
	Raw material	858.85	534.17
	Raw materials (Dies)	107.86	83.08
	Work-in-progress	1,374.66	1,296.33
	Finished goods	940.14	782.94
	Stores, spares and consumables	169.22	173.25
	Dies (Refer note 42)	-	906.12
	Stock of scrap	22.73	13.50
	Total	<u><u>3,473.46</u></u>	<u><u>3,789.39</u></u>

		(Rs. in lakhs)	
		As at	As at
		31 st March 2017	31 st March 2016
17	Trade receivables		
	(Unsecured, considered good unless otherwise stated)		
	(from the date they are due for payment)		
	Debt outstanding for a period exceeding six months		
	Considered good	55.00	63.67
	Considered doubtful	3.54	22.54
	Others debts	<u>3,986.75</u>	<u>3,241.14</u>
		4,045.29	3,327.35
	Less: Provision for doubtful debts	3.54	22.54
	Total	<u>4,041.75</u>	<u>3,304.81</u>
17.1	Trade receivable includes export bills aggregating to Rs. 1,627.63 lakhs (Previous year: Rs. 1,271.44 lakhs) purchased / discounted by the Bank but pending realisation as on the date of the balance sheet & disclosed under working capital (short term borrowing)		
18	Cash and bank balances		
	Cash and cash equivalent		
	Cash in hand	6.67	2.29
	Balance with bank		
	- In current accounts	190.59	341.10
	- Bank deposits	<u>178.22</u>	<u>-</u>
		375.48	343.39
	Other bank balances		
	Balance with bank		
	- Bank deposit [Refer note 18.1]		
	(More than 3 months and less than 12 months)	6.17	7.61
	- Unpaid dividend account	<u>31.46</u>	<u>35.49</u>
		37.63	43.10
	Total	<u>413.11</u>	<u>386.49</u>
18.1	Bank deposit aggregating to Rs. 6.16 lakhs (Previous year: Rs. 7.61 lakhs) are under lien with banks towards guarantees issued by bank.		
19	Short-term loans and advances		
	(Unsecured, considered good unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	7.53	16.72
	Other loans and advances		
	- Advance to suppliers	14.71	2.20
	- Prepaid expenses	83.41	92.22
	- Balance with tax authorities	<u>97.86</u>	<u>107.91</u>
	Total	<u>203.51</u>	<u>219.05</u>

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	(Rs. in lakhs)	
	As at	As at
	31 st March 2017	31 st March 2016
20 Other current assets		
(Unsecured, considered good unless otherwise stated)		
Export incentive receivable		
- Considered good	268.76	248.33
- Considered doubtful	3.07	3.07
	<u>271.83</u>	<u>251.40</u>
Less: Provision for doubtful other current asset	3.07	3.07
	<u>268.76</u>	<u>248.33</u>
Sales tax refund receivable	298.05	502.97
Other receivables		
- On sale of electricity - windmill (Refer Note 20.1)	343.29	216.00
- Compensation receivable from Windmill Operator (Refer Note 20.1)	100.00	-
- Amount Recoverable from Customers (Dies)	69.20	-
Total	<u>1,079.30</u>	<u>967.30</u>

- 20.1** Other current asset includes Rs. 343.29 lakhs as on 31st March 2017 (Previous year Rs. 216.00 lakhs) receivable from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power generated from windmill prior to the date of Power Purchase Agreement (PPA). Further, due to technical issues, no power was generated from 9th August 2016 till 6th May 2017 in respect of which claim for the compensation (up to March 2017) of Rs. 100 lakhs as accepted by the wind mill vendor has been included in other operating income. The PPA has been executed with MSEDCL on 21st March 2017. Considering the above, in view of the management, no uncertainty exists for the amount recoverable of Rs. 343.29 lakhs and therefore, no provision for doubtful receivables is required to be made.

Notes on consolidated financial statements for the year ended 31st March 2017

		(Rs. in lakhs)
	2016-2017	2015-2016
21 Revenue from operations		
Sale of goods	12,184.27	13,194.37
Job work and tooling charges	27.44	181.66
- Export	-	141.01
Other operating income		
- Export incentives	208.90	210.14
- Sale of electricity - windmill (Refer note 20.1)	127.28	216.00
- Scrap sales	948.98	840.86
- Provision for expenses no longer written back	2.21	-
- Claim receivable from Windmill Operator (Refer note 20.1)	100.00	-
- Provision for contingencies written back (net) (Refer note 11.1)	6.92	-
- Miscellaneous receipts	11.48	5.32
	<u>13,617.48</u>	<u>14,648.35</u>
Less: Excise duty	(418.87)	(396.60)
Total	<u>13,198.61</u>	<u>14,251.75</u>
22 Other income		
Interest income		
- On fixed deposit	0.64	0.71
- Others	8.19	1.45
Profit on sale of fixed assets (Net)	-	5.59
Miscellaneous receipts	8.02	56.04
Foreign exchange fluctuation - gain (Net)	120.42	130.81
Total	<u>137.27</u>	<u>194.60</u>
23 Cost of material consumed		
Opening stock	534.17	880.48
Add: Purchases and incidental expenses	6,005.28	5,841.45
	<u>6,539.45</u>	<u>6,721.93</u>
Less: Closing Stock	858.85	534.17
Total	<u>5,680.60</u>	<u>6,187.76</u>
24 Changes in inventories of finished goods, work-in-progress and scrap		
Opening stock		
Finished goods	782.94	661.17
Work - in - progress	1,296.33	1,513.00
Scrap	13.50	12.81
	<u>(A) 2,092.77</u>	<u>2,186.98</u>
Less: Closing stock		
Finished goods	973.60	782.94
Work - in - progress	1,374.66	1,296.33
Scrap	22.73	13.50
	<u>(B) 2,370.99</u>	<u>2,092.77</u>
(Increase) / decrease in inventories of finished goods, work-in-progress and scrap	(A-B) (278.22)	94.21

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		(Rs. in lakhs)	
		2016-2017	2015-2016
25	Manufacturing expenses		
	Dies expenses	140.07	348.11
	Consumable stores and spares	560.69	496.12
	Freight inward, octroi and other expenses	49.45	61.72
	Power and fuel	655.86	625.80
	Insurance expenses	77.14	65.37
	Repairs and maintenance		
	- Plant and machinery	181.23	183.09
	- Building	19.32	18.51
	Contract labour expense	288.84	171.10
	Job work expenses	927.75	764.82
	Rent (Refer note 32)	343.47	430.50
	Total	<u>3,243.82</u>	<u>3,165.14</u>
26	Employee benefit expense		
	Salaries, wages and bonus	2,019.33	2,239.77
	Contribution to provident and other funds	193.64	271.90
	Gratuity expenses (Refer note 37.4)	79.19	142.24
	Leave benefits (Refer note 37.5)	37.84	57.35
	Workmen and staff welfare expenses	48.91	50.97
	Total	<u>2,378.91</u>	<u>2,762.23</u>
27	Finance cost		
	Interest on loans	512.77	493.86
	Other interest costs	14.97	63.59
	Bank charges	102.95	56.51
	Premium on forward contract	0.13	-
	Foreign exchange loss (attributable to finance cost) [Refer note 27.1 below]	-	156.42
	Total	<u>630.82</u>	<u>770.38</u>
27.1	The foreign exchange loss relating to foreign currency term loans and working capital loans to the extent considered as an adjustment to the interest cost as per para 4(e) of Accounting Standard 16-Borrowing Costs.		

	(Rs. in lakhs)	
	2016-2017	2015-2016
28 Administrative, selling and distribution expense		
Freight outward	441.79	424.62
Professional fees	338.59	160.51
Office expenses	45.23	45.04
Travelling and conveyance expenses	75.90	42.70
Rates and taxes	33.75	48.23
Motor car expense	24.42	39.03
Security expense	25.23	22.30
Repairs and maintenance		
- Others	14.45	18.44
Payment to auditors (Refer note 28.1)	13.13	15.75
Communication expenses	19.65	20.84
Directors sitting fees	4.60	5.60
Provision for doubtful receivable / other current asset	(0.04)	18.93
Bad debts	19.50	7.06
Less: Provision for doubtful debts utilised	(12.36)	-
	7.14	7.06
Corporate social responsibility (Refer note 38)	17.22	10.36
Donation	0.30	2.41
Loss on sale and discard of fixed assets	23.66	-
Miscellaneous expenses	31.83	38.30
Provision for contingency	-	15.89
Total	1,116.85	936.01
28.1 Payment to auditors*		
Statutory audit fee	9.50	9.50
Other matters	3.63	6.25
Total	13.13	15.75
*Excluding service tax of Rs.1.97 lakhs (Previous year: Rs. 1.52 lakhs)		
29 Prior period items		
Prior period expenses		
Income		
Lease rent recoverable	81.68	-
Excise duty on fixed asset	-	14.19
Others	0.31	-
	81.99	14.19
Expenses		
Reversal of provident fund recovery	5.79	-
Rates and taxes	32.98	4.43
Gratuity expenses	-	34.06
Others	2.47	-
	41.24	38.49
Net prior period (income) / expense	(40.75)	24.30

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30 Contingent liabilities

(a) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to consolidated financial statements. Details of contingent liabilities not provided for are given below:

In respect of Holding Company

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Letters of guarantee issued by bank	59.13	59.13
(b) Claim for Navi Mumbai Municipal Cess payable (net of provision for contingency)	25.36	45.29
(c) Claim against the Company not acknowledged as debts (Net)	26.25	5.16

(i) In respect of (a) above, the Holding Company does not expect any cash outflow.

(ii) In respect of (b) and (c) above, future cash out flows (including interest / penalty) are determinable on receipt of judgments by tax authorities / labour court / settlement with vendor.

(iii) In respect of (b) above, the Holding Company has provided for liability amounting Rs. 34.94 lakhs (Previous year Rs. 15.00 lakhs.) and paid under protest in current year Rs. 60.29 lakhs (Previous year Rs. 11.37 lakhs.)

(b) The Holding Company had received the demand notices under Income Tax Act as follows:

Assessment year	As at 31st March 2017	As at 31st March 2016
A.Y. 2014-15	39.64	-
A.Y. 2013-14	19.91	19.91
A.Y. 2012-13	26.64	26.64

The Holding Company has filed rectification application for not giving credit of dividend taxes paid and after rectification, no demand will be payable. In view of the above, this demand is not disclosed under contingent liabilities.

There are no contingent liabilities in Wholly Owned Subsidiary company as well as Step Down Subsidiary company (Previous year - Rs. Nil).

31 Capital and other commitments

a) Capital Commitment for tangible asset (net of advance paid) - Rs. 436.96 lakhs (Previous Year: Rs. 669.66 lakhs). There are no other commitments.

b) In Step Down Subsidiary, in respect of lease arrangement, it has commitment to take over the machine at nominal value. Amount will be quantified at the end of lease period in the year 2019.

32 Disclosure of lease - Operating lease

As lessee:

The Holding Company / Step Down Subsidiary have taken certain factory premises and machinery under operating lease for a period from 3 years to 10 years. The agreement for factory premises is non-cancellable and in respect of machinery same are cancellable as well as non-cancellable. Expenses incurred with respect to cancellable operating lease are Rs. 46.02 lakhs (Previous year: Rs. 97.66 lakhs). With respect to non-cancellable operating lease arrangement, expenses for the year and the future minimum lease payments is as under:

Particulars	2016-2017	2015-2016
Lease rent expenses debited to statement of profit and loss [Refer note 25]	297.45	332.84
Future lease rent payable		
- Not later than one year	158.68	221.61
- Later than one year and not later than five years	377.61	782.41
- Later than five years	242.03	298.50
- Contingent rent payable	-	-

33 Calculation of basic / diluted earning per share

Particulars	2016-2017	2015-2016
Profit / (loss) after tax (Rs. in lakhs)	64.70	74.95
Weighted average number of equity shares outstanding	17,270,000.00	17,270,000
Face value	10.00	10.00
Earnings / (loss) per share - basic and dilutive	0.37	0.43

34 Related party disclosure
34.1 Names of related parties

Description of relationship	Name of the Related Party
Director / Key management personnel (KMP)	Pradeep Goyal, Chairman & Managing Director
Relatives of key management personnel [only where there are transaction]	Neeru Goyal (Wife of KMP, also director in the Company) Abhinav Goyal (Son of KMP)
Enterprises / firm where Key Management Personnel / Director have significant influence [only where there are transaction]	Dhanlabh Engineering Works Private Limited Economic Forge Private Limited
Enterprise having significant influence over the Company	S.V. Shah Constructions Services Private Limited Rabale Engineering (I) Private Limited

Note: Designated Key Managerial Personnel as required by Section 203 of the Companies Act, 201 are not considered to be Key Management Personnel [Related party] as per Accounting Standard-18 'Related Party Disclosures'.

34.2 Transactions with related parties during the year

(Rs. in lakhs)

Name of the party	Nature of the transaction	2016-2017	2015-2016
Dhanlabh Engineering Works Private Limited	Labour charges paid	50.85	41.07
	Purchases	0.93	-
	Sales	2.47	2.58
	Rent expenses	28.68	28.43
	Electricity charges (Reimbursement)	13.53	11.26
Economic Forge Private Limited	Labour charges paid	0.34	6.66
	Purchases	-	0.48
Abhinav Goyal	Salary paid	58.06	67.91
Neeru Goyal	Sitting fees paid	0.45	0.75
	Dividend paid	-	3.24
Pradeep Goyal	Managerial remuneration	84.40	84.40
	Dividend paid	-	9.46
S.V.Shah Construction Services Private Limited	Dividend paid	-	22.83
Rabale Engineering (I) Private Limited	Dividend paid	-	37.00

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34.3 Closing balances

(Rs. in lakhs)

Name of the party	Nature of outstanding	As at 31 st March 2017	As at 31 st March 2016
Dhanlabh Engineering Works Private Limited	Trade payable	12.17	8.41
	Trade receivable	0.35	0.21
Pradeep Goyal	Managerial remuneration payable	2.65	6.90
Economic Forge Private Limited	Trade payable	-	0.84

Note: In addition to above transactions, Chairman and Managing Director of the Holding Company has given personal guarantee for loan facilities taken by the Holding Company and Wholly Owned Subsidiary [Refer note 4.1 and 8.1]

35 Segmental disclosure

- a) Primary Segment: The Group is primarily engaged in manufacturing of steel products / components. The Holding Company had started generating & supplied power generated from wind turbine generator to Maharashtra State Electricity Distribution Company Limited (MSEDCL) from 31st March 2015. Since power purchase agreement with MSEDCL has been executed in current quarter, wind mill operation is disclosed as separate segment.

(Rs. in lakhs)

Particulars	Manufacturing of steel components	Power generation	Total
External revenue	13,052.60	227.28	13,279.88
Previous year	14,035.75	216.00	14,251.75
Segment results	992.36	170.66	1,163.02
Previous year	1,064.42	159.56	1,223.98
Unallocated corporate expenses			590.88
Previous year			414.80
Less: Finance costs (net)			630.82
Previous year			770.38
Profit / (Loss) before taxes			(58.68)
Previous year			38.80
Income taxes			269.63
Previous year			108.46
Profit / (Loss) after tax before minority interest			(328.31)
Previous year			(69.66)
Less/(add): Allocation to minority interest			(393.01)
Previous year			(144.61)
Net profit for the year			64.70
Previous year			74.95
Other information			
Segment assets	12,638.21	1,668.84	14,307.05
Previous year	11,714.26	1,496.81	13,211.07

(Rs. in lakhs)

Particulars	Manufacturing of steel components	Power generation	Total
Unallocated corporate assets			2,464.00
Previous year			2,383.00
Segment liabilities	5,715.38	127.62	5,843.00
Previous year	3,997.07	127.62	4,124.69
Unallocated corporate liabilities			7,197.00
Previous year			7,776.00
Depreciation/ amortization	451.82	55.25	507.07
Previous year	412.27	55.25	467.52
Capital expenditure	1,496.84	-	1,496.84
Previous year	1,245.31	-	1,245.31

b) Secondary Segment: By Geographical Segment

Sales, service income and other operating revenue by geographical market:

Locations*	2016-2017	2015-2016
Domestic	5,840.51	6,898.29
Export	7,358.10	7,353.46
Total	13,198.61	14,251.75

*Net of excise duty

Note : Domestic revenue includes sales to customers located within the country of incorporation and export sales includes sales to customers located outside the country of incorporation.

Trade receivable at year end

Locations	2016-2017	2015-2016
Domestic	1,443.78	841.86
Export	2,597.97	2,462.95
Total	4,041.75	3,304.81

Note: Above figures are net of provision Rs. 3.54 lakhs (Previous year: Rs. 12.36 lakhs).

As there are no other transaction of the Group which requires disclosure under AS - 17 'Segment Reporting' for geographical segment, other segmental information in respect of secondary segment is not applicable.

36 Disclosure in respect of derivative instruments**(a) Derivative instruments outstanding**

Particulars	As at 31 st March 2017			As at 31 st March 2016		
	Open forward contracts			Open forward contracts		
	No. of contracts	USD (in lakhs)	Rs. in lakhs	No. of contracts	USD (in lakhs)	Rs. in lakhs
Against foreign currency term loan	2	4.68	303.50	-	-	-

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(b) All the derivative instruments have been acquired for hedging purpose

(c) Foreign currency exposures that are not hedged by derivative instruments.

Particulars	2016-2017		2015-2016	
	Amount in Foreign Currency (in lakhs)	Rs. in lakhs	Amount in Foreign Currency (in lakhs)	Rs. in lakhs
Borrowings				
[Term loan & packing credit] USD	56.06	3,631.79	50.81	3366.61
Trade and other receivable				
USD	9.69	610.56	11.78	773.86
EURO	4.10	289.41	8.27	372.17
GBP	0.88	70.35	0.48	45.37
Capital advances given				
USD	0.56	36.51	1.39	92.24

Note: 1. Open purchase orders & sales orders have not been considered for foreign currency exposure.
2. Above disclosure is in respect of Holding Company.

Notes on consolidated financial statements for the year ended 31st March 2017
37 Disclosures as required under Accounting Standard 15 – Employee benefits (Revised):

37.1 Charge to consolidated statement of profit and loss based on contributions in respect of defined contribution plan:

(Rs. in lakhs)

Particulars	2016-2017	2015-2016
Provident and other funds	193.33	271.59
Social security, health and insurance fund etc.	97.63	186.57
Labour welfare fund	0.31	0.31
Total	291.27	458.47

37.2 Defined benefits :

The Holding Company has long term employee benefits schemes in the form gratuity and leave benefits. Gratuity liability is funded with LIC of India.

37.3 The principal assumptions considered for valuating the actuarial liability of gratuity and leave entitlements / benefits are as tabulated below:

Particulars	2016-17	2015-2016
Discount rate	7.31%	7.46%
Expected rate of return of plan assets	8.00%	8.50%
Future salary growth #	8.00%	8.00%
Employee attrition rate	PS 0 - 42 - 2%	PS 0 - 42 - 1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand factors in the employment market.

37.4 Gratuity - Funded

The following table set out the status of the gratuity plan as required under Accounting Standard 15 - Employee Benefits:

Reconciliation of opening and closing balance of obligations

Particulars	2016-17	2015-2016
Liability at the beginning of the year	367.77	225.05
Interest cost	26.53	24.03
Current service cost	37.64	32.98
Past service cost	-	-
Benefit paid	(24.41)	(14.72)
Actuarial (gain) / loss on obligations	35.37	100.43
Liability at the end of the year	442.90	367.77

Reconciliation of opening and closing balance of plan assets

Particulars	2016-17	2015-2016
Opening fair value of plan assets	260.13	190.99
Expected return on the plan assets	24.02	18.23
Contributions	104.40	68.30
Actuarial gain / (loss)	(3.87)	(2.67)
Benefits paid	(24.41)	(14.72)
Closing fair value of plan assets	360.27	260.13

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Reconciliation of fair value of assets and obligations

(Rs. in lakhs)

Particulars	2016-17	2015-2016
Present value of the obligation at the year end	442.90	367.77
Fair value of the plan assets at the year end	(360.27)	(260.13)
(Asset) / liability recognised in the Balance Sheet	82.63	107.64

Expenses recognised in the Statement of Profit and Loss:

Current service cost	37.64	32.98
Interest cost	26.53	24.03
Actuarial (gain) / loss on obligations	39.24	103.10
Expected return on plan assets	(24.02)	(18.23)
Other gratuity expenses	(0.20)	0.36
Total expense / (credit) recognised in the consolidated statement of profit and loss	79.19	142.24

Table of recognition of actuarial gain / loss:

Actuarial (gain) / loss on obligation for the year	35.37	100.43
Actuarial (gain) / loss on asset for the year	(3.87)	(2.67)
Actuarial (gain) / loss recognised in income statement	31.50	97.76

Balance Sheet Reconciliation:

Opening net liability	107.64	34.06
Expense recognised in Statement of Profit and Loss	79.19	142.24
Contribution	(104.40)	(68.30)
Other gratuity expenses	(0.20)	0.36
Net amount recognised in the Balance Sheet	82.63	107.64

Details of present value of obligation, plan assets and experience adjustments :

Present value of obligation	442.90	367.77
Fair value of plan assets	360.27	260.13
Experience Adjustments:		
On plan liability - (gain) / loss	35.37	100.43
On plan asset (loss) / gain	(3.87)	(2.67)
Gain / (loss) adjustments on account of change in actuarial assumptions	39.24	103.10

Details of present value of obligation, plan assets and experience adjustments are provided to the extent information is available.

Investment Details:	2016-17	2015-2016
Investment with insurer [LIC of India]	100%	100%
Expected employer's contribution for the next year	37.64	32.98

37.5 Leave and other benefits

- a) In case of Holding Company, liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy / rules of the Holding Company. Provision for short term leave benefit is calculated on arithmetic basis. The

liability for leave benefits as at year end is Rs. 142.37 lakhs (Previous year: Rs. 115.59 lakhs).

- b) In respect of one of the Subsidiary Company, Company is liable for vacation allowance benefit which is short term in nature and is unfunded. Liability for same is determined on arithmetical basis for expected outflow in next financial year. The liability for vacation allowance as at year end is Rs. Nil (Previous year: Rs. 7.96 lakhs). As per para 132 of Accounting Standard 15 - Employee Benefits, no other disclosure is required.

- 38** As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Holding Company. The area for CSR activities are Education and Empowerment, Employability and Entrepreneurship, Health and Sanitation and others.

(a) Gross amount required to be spent by the Holding Company during the current year was Rs. 17.45 lakhs (Previous year: Rs. 18.97 lakhs).

(b) Details of amount spent during the year are as under:

(Rs. in lakhs)

Particulars	Year	In cash	Yet to be paid in cash	Total
Construction/Acquisition of assets	2016-2017	-	-	-
Other purposes		17.22	-	17.22
Construction/Acquisition of assets	2015-2016	-	-	-
Other purposes		10.36	-	10.36

- 38.1** In cash flow statement, cash flow from operating activities includes CSR amounting Rs. 17.22 lakhs (Previous year Rs. 10.36 lakhs)

- 39** Pursuant to the MCA notification G.S.R. 308(E) dated 31st March 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, are given below:

(Rs. in lakhs)

Particulars	SBNs	* Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.47	0.12	2.58
(+) Permitted receipts	-	4.29	4.29
(-) Permitted payments	-	1.76	1.76
(-) Amount deposited in bank	2.47	-	2.47
Closing cash in hand as on 30.12.2016	-	2.64	2.64

*Denomination wise details not available considering impracticability. Auditor have relied on the information / representation provided by the management.

The Subsidiary Companies are incorporated outside India and do not hold any Indian currency notes, hence, above disclosure requirement is not applicable to the Subsidiary Companies.

40 Cash flow statement related :

- 40.1** Aggregate outflow on account of direct taxes paid is Rs. 149.39 lakhs (Previous year: Rs. 204.67 lakhs).

- 40.2** Conversion of rupee term loan in foreign currency loan (USD) aggregating to Rs. 631 lakhs (Previous year: Rs. 855.58 lakhs) is not considered as cash transaction.

- 40.3** For the purpose of preparing cash flow statement, opening balance of assets & liabilities are considered as per the figures reported in consolidated financial statements of previous year. Consequently, net movement of asset & liabilities on account of change in acquisition date of step down subsidiary is included in current year's cash flows under operating, investing and financing activities except movement in fixed assets, goodwill on acquisition and equity as there is no cash inflow and hence not required to be considered in preparation of cash flow (Also refer note 44).

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- 41** During the year, the Holding Company has received a government grant of Rs. 214 lakhs from Steel Development Fund (SDF) of Ministry of Steel as first installment towards the contribution for a specified project which will help decreasing greenhouse gases emission. The total estimated cost of the project is Rs. 560 lakhs out of which contribution from SDF is Rs. 275 lakhs and balance Rs. 285 lakhs shall be contributed by the Holding Company. As the project is ongoing, all direct cost and allocable costs (including depreciation) has been considered as intangible assets under development in compliance with Accounting Standard 26 - Intangible assets and equipments which are used for the project have been capitalised as tangible fixed assets. Further, government grant received of Rs. 214 lakhs is treated as deferred income in accordance with Accounting standard 12- Government Grants and disclosed accordingly.
- 42** During the current year, dies have been reclassified from inventories to fixed assets in Holding Company in accordance with revised Accounting Standard 10 - 'Property, Plant and Equipment'. Accordingly, opening inventory of Rs. 906.12 lakhs has been transferred to fixed assets and depreciated based on the balance useful life. Due to this change, profit of before tax for the year is lower by Rs. 90.61 lakhs.
- 43 Additional information pursuant to Schedule III of Companies Act, 2013**
As at 31st March 2017

(Rs. in lakhs)

Name of the entity	Net Assets i.e. Total Assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)
Parent Pradeep Metals Limited	119%	4,455.56	800%	517.36
Subsidiaries				
Foreign				
Pradeep Metals Limited Inc, USA	19%	704.36	-52%	(33.48)
Dimension Metal Works LLC*	37%	1,365.61	-1248%	(807.28)
Minority interest in all subsidiaries	-2%	(91.12)	608%	393.01
Consolidation adjustments	-73%	(2,703.47)	-7%	(4.92)
Total	100%	3,730.94	101%	64.70

* Step down subsidiary of the Company.

As at 31st March 2016

(Rs. in lakhs)

Name of the entity	Net Assets i.e. Total Assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)
Pradeep Metals Limited	107%	3,938.20	501%	375.55
Subsidiaries				
Pradeep Metals Limited Inc, USA	11%	422.02	-220%	(164.69)
Dimension Metal Works LLC*	23%	833.32	-361%	(270.63)
Minority interest in all subsidiaries	-11%	(417.75)	193%	144.61
Adjustment arising out of consolidation	-30%	(1,082.50)	-13%	(9.89)
Total	100%	3,693.29	100%	74.95

* Step down subsidiary of the Holding Company.

- 44** A dispute had arisen between Wholly Owned Subsidiary Company (WOS) and the partner holding 49% share in Step Down Subsidiary (SDS) (51% share is held by Holding Company's WOS). The matter is now sub-judice and suitable representations are being made in the court by WOS in this matter. Further, based on the legal advice, in the consolidated financial statements for the current year, accounting effect has been given for the impact due to change in acquisition date of SDS. The net impact of Rs. 155.46 lakhs on account of such change in date has been disclosed as exceptional item in consolidated financial statements for the year ended 31st March 2017. In the opinion of management, further accounting adjustments (if any) in SDS will be made only after the final outcome of the dispute. As a consequence of change in acquisition date of SDS, figures for current year are not comparable with previous year in consolidated financial statements.
- 45** In previous year, prior period item adjusted against opening balance of statement of profit and loss represents difference between unaudited financial statement of step down subsidiary considered in Consolidated Financial Statement for the year ended 31st March 2015 and financial statement of that step down subsidiary which were considered for filing income tax return for the year ended 31st March 2015.
- 46** As clarified by the Ministry of Corporate Affairs vide its General Circular No. 39/2014 No. 4/2/2014-CL-I Dated 14th October, 2014, certain information provided in standalone accounts of individual companies under the Group have not been consolidated and disclosed as part of Consolidated Financial Statements (CFS) keeping in mind the fact that these are repetitive in nature or not relevant to CFS. However, all such information are available as part of standalone accounts of the respective companies under the Group.
- 47** Additional Information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
- 48** **Previous years comparatives**
Further to what is stated in note 44 above, previous year's figures have been re-grouped / reclassified wherever necessary to conform to the current year's classification.
-

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 13th May 2017

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

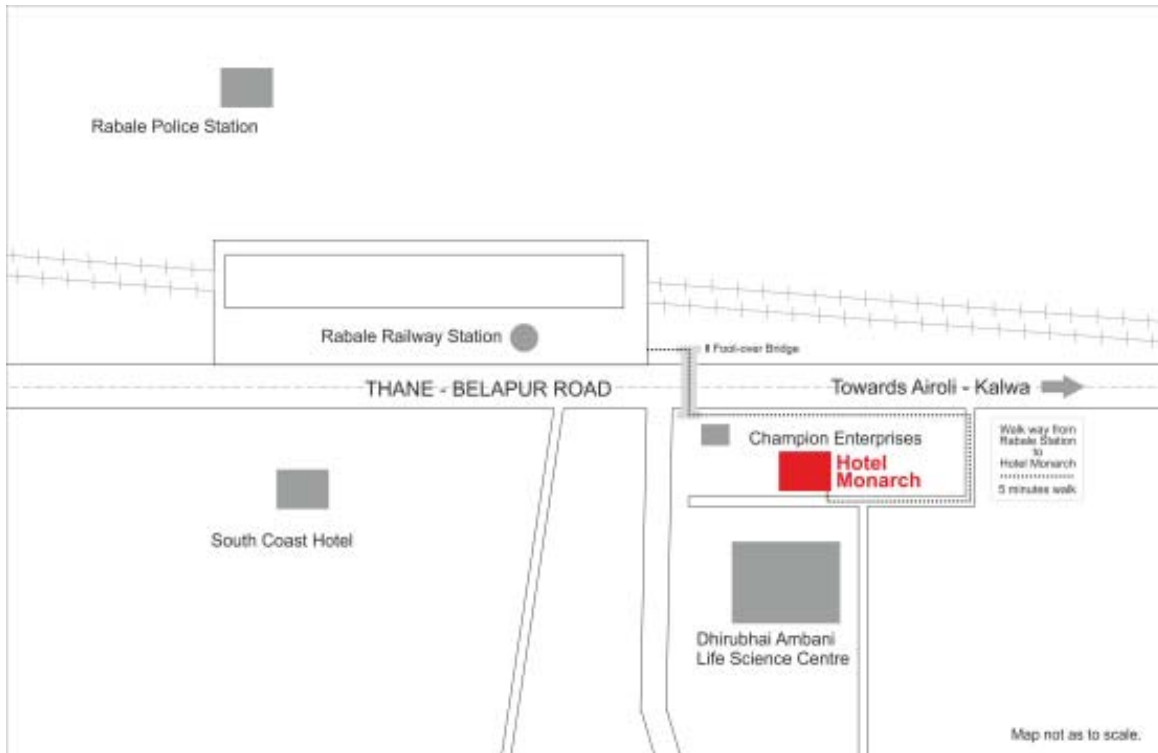
Suchita Singh
Company Secretary
Membership No. A43837

Place : Navi Mumbai
Date: 13th May 2017

Neeru Goyal
Director
DIN: 05017190

Rakesh Agarwal
Chief Financial Officer

ROUTE MAP



PRADEEP METALS LIMITED

CIN: L99999MH1982PLC026191

Regd. Office : R-205, TTC Industrial Area, MIDC, Rabale, Navi Mumbai 400 701.

Tel: +91-22-27691026 Fax: +91-22-27691123 e-mail: investors@pradeepmetals.com Website: www.pradeepmetals.com

Proxy form

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No. / Client Id:	DP ID No.

I/ We, being the Member(s) holdingshares of Pradeep Metals Limited, hereby appoint

1. Name :	Address:
Signature:	Email ID:

or failing her / him

2. Name :	Address:
Signature:	Email ID:

or failing her / him

3. Name :	Address:
Signature:	Email ID:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Monday 21st day of August, 2017 At 3.00 pm at Monarch Banquets, Plot No 110/111, MIDC, Thane Belapur Road, Rabale, Navi Mumbai, 400 701 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
1.	To receive, consider and adopt a. the Audited Financial Statements of the Company for the FY ended 31 st March, 2017, together with the Reports of the Board of Directors and the Auditors thereon. b. Audited Consolidated Financial Statements for the FY ended 31 st March, 2017, together with the Reports of the Auditors thereon.		
2	Re-appointment of Mr. Omprakash Agarwal, who retires by rotation, as a Director of the Company.		
3	Ratification of appointment of N.A. Shah Associates LLP, Chartered Accountants as Statutory Auditors of the Company and fixing their remuneration.		
4	Appointment of Mr. Jayavardhan Dhar Diwan as a Director of the Company.		
5	Appointment of Mr. Jayavardhan Dhar Diwan as an Independent Director of the Company.		
6	Re-appointment of Mr. Pradeep Goyal as the Chairman and Managing Director of the Company and remuneration payable.		
7	Approval of Remuneration to MKJ & Associates, Cost and Management Accountants for the financial year ending 31 st March, 2018.		

Signature of Member _____ Signature of Proxy holder(s) _____

Signed this _____ day of _____ 20

Affix
Revenue
Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A Proxy need not be a Member of the Company.

PRADEEP METALS LIMITED

CIN:L99999MH1982PLC026191

Registered Office: R-205, TTC Industrial Area, MIDC, Rabale, Navi Mumbai 400701(Maharashtra)

Tel: +91 22 2769 1026 Fax: 22-27691123

Email: investors@pradeepmetals.com website: www.pradeepmetals.com

ATTENDANCE SLIP

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

34th ANNUAL GENERAL MEETING ON MONDAY, 21st AUGUST, 2017 AT 3.00 PM.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Registered Folio No. / DP ID No. & Client ID *	
Name and Address of the Shareholder(s)	
Joint Holder 1 Joint Holder 2	
No of Shares held	

Name of the Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

*Application for Members holding shares in Electronic form.

ELECTRONIC VOTING PARTICULARS

(EVEN) Electronic Voting Event Number	User ID	Password
106551		

I/ we hereby record my/our presence at the 34th Annual General Meeting of the Company being held Monday, the 21st day of August, 2017 at 3.00 pm at Monarch Banquets, Plot No 110/111, MIDC, Thane Belapur Road, Rabale, Navi Mumbai, 400 701.

Notes:

1. Only Member / Proxy holder can attend the Meeting.
2. Member / Proxy holder should bring his / her copy of the Annual Report for reference at the meeting.
3. Each Equity share of the Company carries one vote.

certifications & approvals

ISO 9001:2008

ISO 14001:2004

OHSAS 18001:2007

Pressure Equipment Directive - PED 97/23/EC

AD2000-MERKBLATT W0

Canadian Registration Number - CRN

Nuclear Approved Supplier - USA & Germany

Indian Defense Approved Supplier

Indian Railways Approved Supplier

Marine Approved Supplier

Indian Boiler Regulation IBR

NORSOK Approved Products

steel grades used

STAINLESS STEEL

F303, F304/F304L, F316 Ti, F316/
F316L, F321, F347H
1.4301, 1.4307, 1.4435, 1.4436,
1.4404, 1.4541, 1.4571

DUPLEX

F51/1.4462/2205, Inconel 625,
825, Monel 400,500, Hastelloy
C-276, Alloy 20

ALLOY STEEL

SAE - 4130, 8620H, 4140
20MnCr5, 18NiCrMo4, En19,
42CrMo4
F5, F9, F11, F20, F22, F91, F92

DIE STEEL

En24, DIN1.2714, DIN1.2713, H11

CARBON STEEL

SAE - 1008, 1010, 1018, 1030,
1040, 1045, 1141, 1140
En3A, En8, En8D, En9, C22.8 /
1.0460, CK45 / C45
Gr55, Gr70, A668 CLF, A105 /
1.0481, LF2 / 1.0436

our capabilities

DESIGN & TOOLING

AutoCAD drawing
approved based on customer
specifications

3-D modeling using Siemens
NX (Unigraphics)

DEFORM simulation to opti-
mize yield and die-design

Tool-path generation using
Cimatron

Tooling Center
- Makino S-33
- HAAS VF-1 / VF-3
- EDM
- CNC Wirecut

MACHINING

HAAS Vertical Machining
Centers
HAAS CNC Lathe Machines
Up to 530mm Diameter

TESTING

Spectrometer
Tensile Tester
Microscopy
PMI
Radioactivity
Impact, IGC

CUTTING

400T & 1600T Shears
125mm dia. Hi-speed
Circular Saw
250mm Band Saws

MEASUREMENTS

Accurate 3-D CMM Model Spectra
Mahr Contour Measuring System
Mahr Mobile Surface Measuring
Station MarSurf M 400
Trimos Vectra Touch - 600mm

FORGING

6T & 1T Closed Die Hammers
2500T, 1250T, 700T
Mechanical Presses
Trimming Presses
Induction and Gas-fired
furnaces

HEAT TREATMENT

Electric Tempering furnace
Mechanical charger
Austenitizing furnaces

POST FORGING

Shot blasting
Coining
Stamping
Rust-prevention
Packing
Ultrasonic cleaning



CONTACT INFORMATION

R-205 MIDC, Rabale

Navi Mumbai 400701

India

www.pradeepmetals.com

export@pradeepmetals.com