



# PRADEEP METALS LIMITED

Regd. Office : R-205, MIDC, Rabale, Navi Mumbai 400 701, Maharashtra

## NOTICE

**NOTICE IS HEREBY GIVEN THAT AN EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF PRADEEP METALS LIMITED WILL BE HELD AT ITS REGISTERED OFFICE AT R-205, MIDC, RABALE, NAVI MUMBAI - 400701 ON SATURDAY, 25<sup>TH</sup> DAY OF JANUARY, 2014, AT 2.30 P.M., TO TRANSACT THE FOLLOWING BUSINESS AS SPECIAL BUSINESS:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 311, 314 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enhancement thereof for the time being in force) and pursuant to the approval granted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 11<sup>th</sup> December, 2013, and subject to the approval(s) from appropriate authorities required (if any), approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company, for a period of 1 (One) year commencing from 17<sup>th</sup> December, 2013 to 16<sup>th</sup> December, 2014, on such terms and conditions as set out in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company/Remuneration Committee of the Directors be and are hereby authorized to alter/amend/revise the terms and conditions of re-appointment of Mr. Pradeep Goyal with mutual consent, subject to and in accordance with the applicable provisions of the Companies Act, 1956 and Schedule XIII thereto and THAT the approval of the Central Government and other appropriate authorities (if required) may be obtained for payment of the remuneration as mentioned in the Explanatory Statement annexed hereto, as minimum remuneration to Mr. Pradeep Goyal, without further reference to the Members.

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

**RESOLVED FURTHER THAT** Board of Directors/Remuneration Committee of the Directors be and are hereby severally authorized to take all necessary steps to implement this resolution and to authorize doing of all such acts, deeds, matters and things by anyone Director/Executive/Officer/representative of the Company. “

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

Place: Navi Mumbai  
Date: 11<sup>th</sup> December, 2013

**Sd/-  
ABHINAY KAPOOR  
COMPANY SECRETARY**

**REGISTERED OFFICE:**  
Pradeep Metals Ltd.,  
R-205, MIDC, Rabale,  
Navi Mumbai - 400 701.

**Notes:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (b) Members are requested to intimate any change in their address to the Registrar and Transfer Agents of the Company, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078, immediately.
- (c) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business to be transacted at Extra-Ordinary General Meeting, is annexed hereto and forms part of the Notice.
- (d) Relevant documents referred to in this Notice and accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 a.m. and 1 p.m. up to date of the meeting.

## EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956.

### Item No. 1

At its meeting held on 28<sup>th</sup> October, 2010, the Board of Directors had appointed Mr. Pradeep Goyal as Chairman and Managing Director (CMD) for a period of 3 years with effect from 17<sup>th</sup> December, 2010 till 16<sup>th</sup> December, 2013. The Members of the Company accorded their approval for re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company and the remuneration payable to him, by passing a Special Resolution at its Annual General Meeting held on 6<sup>th</sup> September, 2012. The tenure of this re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director is coming to an end on 16<sup>th</sup> December, 2013.

The Board of Directors, on the basis of recommendation of the Remuneration Committee, has approved the re-appointment Mr. Pradeep Goyal as Chairman and Managing Director of the Company for the tenure of 1 (One) year with effect from 17<sup>th</sup> December, 2013 till 16<sup>th</sup> December, 2014, on following terms and conditions, subject to approval of its Members by a Special Resolution and approval of Central Government as the remuneration proposed to be paid to Mr. Pradeep Goyal exceeds the limits prescribed in Schedule XIII of the Companies Act, 1956.

### Terms and Conditions for re-appointment

1	<b>Basic Salary</b>	Rs. 7,00,000/- per month
2	<b>Perquisites (including allowances)</b>	
	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, subject to ceiling of one month's salary (Basic) over a period of three years.
	Club Fees	Actual fees for maximum of two clubs. Admission fee and life membership fees will not be paid by the Company.
	Contribution to Provident Fund Superannuation Fund or Annuity Fund	To the extent these either singly or put together are not taxable under Income Tax Act, 1961
	Gratuity	Payable at a rate not exceeding half month's salary for each completed year of service.
	Encashment of leave	At the end of the tenure as per the Company's Rules
	Car	For use on the Company's Business
	Telephone	At residence and cellular phone. Personal long distance calls on telephone to be charged and recovered by Company.

### Explanation:

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

### Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency or tenure of his service, the above remuneration shall be paid to Mr. Pradeep Goyal as minimum remuneration with the approval of Central Government, if required.

The said re-appointment and its terms (including the terms of remuneration) have been approved by the Board of Directors at its meeting held on 11<sup>th</sup> December, 2013 on the basis of recommendations of Remuneration Committee of Directors which had also approved the said re-appointment in its meeting held on the same date.

Members are informed that Company has made an application in E-Form 25A vide SRN B58282849 on 25<sup>th</sup> September, 2012, for seeking approval of the Central Government for appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company for tenure of three years commencing from 17<sup>th</sup> December, 2010 till 16<sup>th</sup>

December, 2013 as the remuneration proposed was exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 and that the said approval is awaited till date. The Company has also furnished the necessary information as desired by the Ministry vide has a letter No. SRN B58282849/3/2012- CL- VII dated October 25, 2013, in this regard.

**The information as required under part II Section II (1) (B) (iv) and (C) (iv) of the Schedule XIII to the Companies Act, 1956 is given as under:**

<b>I. General Information</b>				
1	Nature of the industry	Manufacturer and Exporter of closed die forged and machined components.		
2	Date or expected date of commencement of commercial production	Already in business for more than 25 years.		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable		
4	Financial performance based on given indicators: (As per revised Schedule VI of the Companies Act, 1956)	2012-2013	2011-2012 (Rs. in lacs)	2010-2011
	Gross Receipts	13271	11608	8788
	Profit Before Exceptional Items & Tax	775	736	624
	Profit After Exceptional Items & Tax	441	583	222
5	Export performance and net foreign exchange earnings during the financial year 2012-13	Export turnover		Net foreign exchange earnings
		Rs. 7617 Lacs		Rs. 7587 Lacs
6	Foreign investments or collaborators, if any	Not applicable		

**II. Information about the appointee:**

**a) 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 Munak Engineers Private Limited, Indian Resources Information and Management Technologies Limited, UPL Limited, S. V. Shah Construction Services Private Limited, B S Metal Private Limited, Uniphos Enterprises Limited, Hind Rectifiers Limited and Janakalyan Sahakari Bank Limited He was trained with Mukand Limited, India and Degussa International, Hanau, West Germany. He has been a Trustee of ASM International, USA, and a member of All India Manufacturers Organization. He is also a Member of Indo- German Chamber of Commerce, Indian Merchants Chamber and Thane Belapur Industries Association.

**b) Past Remuneration**

Details of the remuneration paid to Mr. Pradeep Goyal, during the tenure of his re-appointment from 17<sup>th</sup> December, 2010 to 16<sup>th</sup> December, 2013, as Chairman and Managing Director of the Company are as follows:

- a) From 17<sup>th</sup> December, 2010 to 30<sup>th</sup> September, 2012 : Rs. 3,00,000/- per month
- b) From 1<sup>st</sup> October, 2012 to 16<sup>th</sup> December, 2013 : Rs. 7,00,000/- per month

Apart from the basic salary, he is also eligible for perquisites and allowances as permitted to senior executives of the Company. The salary and perquisites aggregating to Rs. 37,28,717/-, Rs. 37,44,165/- and Rs. 71,12,455/-

were paid to him in Financial Years 2010-11, 2011-12 and 2012-13, respectively.

**c) Remuneration Proposed**

As per the terms and conditions given in proposed Resolution and Explanatory Statement forming part of Notice of Extra ordinary General meeting.

**d) Recognitions and awards**

Mr. Pradeep Goyal was awarded the 1st 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.

**e) Job profile and suitability**

Mr. Pradeep Goyal is associated with Company since its incorporation and he is on Board of Directors since year 1983. He has been holding office as Managing Director since 17<sup>th</sup> December, 2000. Since 2010, he has also been appointed as Chairman of the Company. The Company has seen exceptional growth due to his technical, marketing and managerial expertise.

**f) 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.

**g) 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. His son Mr. Abhinav Pradeep Goyal, has also been appointed as Vice President (Business Development Technology) in the Company with effect from 1<sup>st</sup> September, 2012. Besides remuneration being paid/proposed to be paid, he does not have any pecuniary relationship with the Company.

**III. Other Information**

**a) Reasons of loss or inadequate profits**

Business profits had been low in the past due to several reasons like overall economic position in the engineering industry, high interest rates, frequent increase in energy and raw material costs and competitive market conditions.

**b) Steps taken or proposed to be taken for improvement**

The Company has diversified its business in the non-automotive sector, increased exports and value added products 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.

**c) Expected increase in productivity and profits in measurement terms**

Considering the recessionary market conditions prevailing globally and efforts made by the management to develop new products and customers, the Company has set the following targets in terms of sales and profitability;

(Rs. in Lacs)

Year	2013-2014	2014-2015	2015-16
Gross Receipts	14474	16629	17888
Net Profit before Tax	899	987	1147
Net Profit after Tax	659	667	775

**IV. Disclosure**

- a) Remuneration package of the appointee: As given in the Special Resolution and its Explanatory Statement under Item No. 1.
- b) Disclosure in the Board of Directors' report under the heading "Corporate Governance", if any, attached to the annual report: Requisite Disclosures have been made in the Section on Corporate Governance, attached

to and forming part of the Directors' Report, published for the Financial Year ended on 31<sup>st</sup> March, 2013.

Mr. Pradeep Goyal and Mrs. Neeru Pradeep Goyal, Director, being related to Mr. Pradeep Goyal, are interested in the said Resolution. None of the other Directors is considered to be concerned or interested in the Resolution.

Considering Mr. Pradeep Goyal's qualifications, experience, expertise, responsibilities shouldered by him, 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 interests of the Company.

The Board recommends to the Members to consider and approve the Special Resolution for re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company for the tenure of 1 (One) year and remuneration payable to him. The Members are also requested to authorize the Board to approach the Central Government for seeking necessary approvals in the matter.

The above Explanatory Statement shall be construed as an abstract of the terms of the appointment/re-appointment/variations, together with a Memorandum of interest or concern of the interested Directors, as prescribed under Section 302 of the Companies Act, 1956.

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

**Sd/-**

**ABHINAY KAPOOR  
COMPANY SECRETARY**

Place: Navi Mumbai  
Date: 11<sup>th</sup> December, 2013

**REGISTERED OFFICE:**

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

# PRADEEP METALS LIMITED

Regd. Office : R-205, MIDC, Rabale, Navi Mumbai 400 701, Maharashtra

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID *	
Client ID *	

Folio No.	
No. of Share(s) held	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the EXTRA ORDINARY GENERAL MEETING of the Company at R-205, MIDC, Rabale, Navi Mumbai 400 701 on Saturday, 25th January, 2014 at 2.30 p.m.

Signature of the Shareholder/Proxy  
(To be signed at the time of handing over this slip)

\* Applicable for investors holding shares in electronic form.

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# PRADEEP METALS LIMITED

Regd. Office : R-205, MIDC, Rabale, Navi Mumbai 400 701, Maharashtra

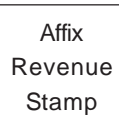
## PROXY FORM

I/We ..... of ..... being a Member/Members of  
PRADEEP METALS LIMITED hereby appoint ..... of  
..... or failing him/her ..... of  
..... as/my / our Proxy to attend and vote for me/us and on my/our behalf  
at the EXTRA ORDINARY GENERAL MEETING of the Company to be held on Saturday, 25th January, 2014  
at 2.30 p.m. and at any adjournment thereof.

Signed this ..... day of .....2014

Folio No. .... DP ID\* ..... Client ID\* .....

No. of Shares held .....



(Signature of the Shareholder)

\* Applicable for investors holding shares in electronic form.

Notes :

1. The proxy need not be a member.
2. The proxy form duly signed across Revenue Stamp should reach Company's Registered Office atleast 48 hours before the time of the meeting.

( TEAR HERE )

BOOK-POST

*If undelivered, please return to :*

**PRADEEP METALS LIMITED**

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