



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

PML/SE/2016-17/05

July 20, 2016

To
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Sub: Intimation under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Dispute involving the Company's step down subsidiary namely, Dimensional Machine Works, LLC, Houston, USA

Dear Sirs,

A. Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation:

Pradeep Metals Limited, Inc., a foreign subsidiary of the Company had entered into an Asset Contribution and Purchase Agreement dated April 24, 2015 for acquiring fifty-one per cent (51%) membership interest in Dimensional Machine Works, LLC ("**Dimensional**") for an agreed purchase consideration of US\$2.8 Million. The balance forty-nine per cent (49%) of the membership interest in Dimensional is being held by DMW, LLC.

This is to inform you that consequent upon Do Van Nguyen and Dos Vision Investments LLC unlawfully locking out the Dimensional's factory premises situated at 6930 San Antonio Rd., Suite A, Houston, Texas 77040 and bringing its operations to the screeching halt, Dimensional has on July 19, 2016 at 8:00 AM (Central Time Zone) presented a petition no. 201647477 ("**Petition**") before the District Court of Harris County, Texas, 151st Judicial District against (1) DMW, LLC, (2) Dos Vision Investments LLC and (3) Mr. Do Van Nguyen (collectively "**the Defendants**") for seeking temporary restraining order and temporary injunction (and, upon a final trial, a permanent injunction) to restrain and enjoin the Defendants from unlawfully interfering with Dimensional's operation. In addition to aforementioned reliefs, Dimensional is also claiming all actual & future damages, exemplary damages (as determined by the court), attorney's fees and other costs for *inter alia* breach of fiduciary duty, breach of lease agreement, fraud on Pradeep Metals Ltd., Inc. on account of false representations regarding Dimensional's financial condition and value of Dimensional's inventory.

After considering the application for temporary restraining order filed by the plaintiff Dimensional, the said Court was pleased to grant a Temporary Restraining Order at 8:50 AM (Central Time Zone) in respect of the reliefs sought vide the aforesaid Petition. The said Restraining Order will come into effect upon the plaintiff filing a bond of US\$ 500 with the clerk of Court and the order shall continue to be in effect for fourteen days or until further order of the Court.



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The Defendants have been ordered to appear before the Court on July 29, 2016 to show cause as to why a temporary injunction should not be issued as requested by the plaintiff.

B. Expected financial implications, due to compensation, penalty etc.:

The operations of Dimensional had been halted due to locking out of its premises and if the reliefs, as prayed for, are not granted it may have an impact on the Company's investment.

C. Quantum of claims:

Unquantified damages for the unlawful acts alleged in the Petition (to be determined by the court) including attorney's fees, cost of suit, pre-judgment and post-judgment interest, etc. have been claimed.

Please take the same on record and acknowledge receipt.

Thanking you,

Yours sincerely,
For **Pradeep Metals Limited**

Pradeep Goyal
Chairman & Managing Director
DIN : 00008370

