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PRADEEP METALS LIMITED

PRADEEP METALS LIMITED



BOARD OF DIRECTORS

Pradeep Goyal

Chairman & Managing Director

Rajnikant D. Shroff

Omprakash Agarwal

Rakesh Kumar Agarwal

Dinesh T. Parekh

Suresh G. Vaidya

Raj Kumar Mittal

Kewal Krishan Nohria

COMPANY SECRETARY

Abhinay Kapoor

BANKERS

Union Bank of India

AUDITORS

S. R. Rege & Co.

Chartered Accountants

REGISTERED OFFICE & WORKS

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

25th ANNUAL REPORT 2008**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF PRADEEP METALS LIMITED will be held at the Registered Office at R-205, TTC Industrial Area, MIDC, Rabale, Navi Mumbai 400 701 on Friday, 5th September, 2008, at 4.00 p.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Report, Auditors' Report and Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date.
2. To appoint Shri Rakesh Kumar Agarwal, Director who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint Shri Suresh G. Vaidya, Director who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business

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

"RESOLVED THAT Shri Raj Kumar Mittal, who was appointed as an Additional Director on 29th January, 2008 in accordance with the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company and holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Dr. Kewal Krishan Nohria, who was appointed as an Additional Director on 14th April, 2008 in accordance with the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company and holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Navi Mumbai
July 19, 2008

**ABHINAY KAPOOR
COMPANY SECRETARY**

REGISTERED OFFICE:

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

PRADEEP METALS LIMITED**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, Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078 immediately.
- (c) Members who hold shares in identical order of names in more than one Folio are requested to write to the Company to enable consolidation of their holdings in one Folio.
- (d) Members are requested to intimate to the Company, details, if any, required in relation to this Annual Report atleast 7 (seven) days before the meeting to enable the Management to keep the information ready at the meeting.
- (e) All documents referred to in the accompanying Notice and Explanatory Statement, are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m to 1.00 p.m. upto the date of the Annual General Meeting except on Sundays and other holidays.
- (f) Members/Proxies are requested to bring their copies of the Annual Report to the meeting.
- (g) The Company's Equity Shares are the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors.
- (h) The Register of Members & Transfer Books of the Company in respect of Equity Shares will remain closed from 29th August, 2008 to 5th September, 2008 (both days inclusive).

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EXPLANATORY STATEMENT

Explanatory Statement under Section 173(2) of the Companies Act, 1956 forming part of the Notice dated 19th July, 2008

Item No. 5

Shri Raj Kumar Mittal was appointed as an Additional Director of the Company on 29th January, 2008 by the Board of Directors to hold the office upto the date of this Annual General Meeting.

Shri Mittal is a Commerce graduate from Delhi University and a Chartered Accountant with over 35 years experience in the field of banking, financial planning and restructuring, etc. (Detailed particulars are given in annexure attached)

It is in the interest of the Company to continue to have the benefit of his immense experience and valuable advice as a member of the Board.

The Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.

The Board recommends the resolution for approval of the members.

None of the Directors except Shri Raj Kumar Mittal concerned or interested in the resolution.

Item No. 6

Dr. Kewal Krishan Nohria was appointed as an Additional Director of the Company on 14th April, 2008 by the Board of Directors to hold the office upto the date of this Annual General Meeting.

Dr. Nohria graduated in Electrical Engineering from Benaras Hindu University (BHU) in 1954 and pursued post graduation and Management studies at Manchester Technical College, UK. He was awarded an Honorary D.Litt Degree from BHU.

Dr. Nohria, a successful technocrat, was the Chairman & Managing Director of Crompton Greaves Ltd. He is on the board of IIM – Indore and many other Indian companies. He has over 50 years experience in Electrical and Electronics Industry. He is Chairman of Thapar University, Patiala. (Detailed particulars are given in annexure attached)

It is in the interest of the Company to continue to have the benefit of his immense experience and valuable advice as a member of the Board.

The Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.

The Board recommends the resolution for approval of the members.

None of the Directors except Dr. Kewal Krishan Nohria concerned or interested in the resolution.

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

Navi Mumbai
July 19, 2008

**ABHINAY KAPOOR
COMPANY SECRETARY**

REGISTERED OFFICE:

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

PRADEEP METALS LIMITED**Item Nos. 2, 3, 5 & 6**

Information required to be furnished under Clause 49 of the Listing Agreement in respect of Directors being appointed/re-appointed

1. Name	Shri Rakesh Kumar Agarwal
Date of Birth	10 th June, 1963
Date of Appointment	31 st October, 2001
Qualification	B.E (Mech)
Expertise	Expert on international trade and technical matters
Other Directorships	Shirdi Industries Ltd. Asis Global Ltd Asis Logistics Ltd Labh Capital Services Pvt. Ltd. Repute Properties Pvt. Ltd. Asis Industries Pvt. Ltd. Swanbay Technologies Pvt. Ltd. Christ Consultancy Pvt. Ltd. Emeca Finance & Investment Pvt. Ltd. Poona Pearls Biotek Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Member, Audit Committee Chairman, Shareholders'/Investors' Grievance Committee
Chairman/Member of the Committee of Directors of other companies:-	
a) Audit Committee	Nil
b) Shareholders / Investors' Grievance Committee	Nil
c) Remuneration Committee	Nil
2. Name	Shri Suresh G. Vaidya
Date of Birth	1 st April, 1939
Date of Appointment	24 th June, 2005
Qualification	L.T.M., B. Text
Expertise	Technical & General Management
Other Directorships	Victoria Mills Ltd. Vaidya and Associates Textile Consultants Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Member, Audit Committee
Chairman/Member of the Committee of Directors of other companies:-	
a) Audit Committee	Nil
b) Shareholders / Investors' Grievance Committee	Nil
c) Remuneration Committee	Nil

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3.	Name	Shri Raj Kumar Mittal
	Date of Birth	5 th May, 1944
	Date of Appointment	29 th January, 2008
	Qualification	B.Com (Hons), F.C.A
	Expertise	Financial Expert
	Other Directorships	Elegant Marbles & Grani Industries Ltd. Theseus Global Research Ltd. CS Enterprises Pvt. Ltd. Vithal Finvest and Consultants Pvt. Ltd. Market Entry Solutions Pvt. Ltd. B.S. Metal Pvt. Ltd. Mumbai Vaish Seva Sansthan
	Chairman/Member of the Committee of the Board of Directors of the Company	Chairman, Audit Committee
	Chairman/Member of the Committee of Directors of other companies:- a) Audit Committee b) Shareholders / Investors' Grievance Committee c) Remuneration Committee	Chairman - 1 Chairman - 1 Member - 1
4.	Name	Dr. Kewal Krishan Nohria
	Date of Birth	4 th October, 1932
	Date of Appointment	14 th April, 2008
	Qualification	B.E. (Elect.), D.Litt from BHU
	Expertise	Technical and Management Expert
	Other Directorships	Kale Consultants Ltd. CG-PPI Adhesive Products Ltd. Igarashi Motors Ltd. International Components India Ltd. CG Actaris Elec. Management Ltd. Cologicx systems Ltd. Grow Talent Company Ltd. Final Quadrant Solutions Ltd. Fontus Water Ltd. Acquire Talent Services Ltd. CTR Manufacturing Industries Ltd. Jollyboard Ltd.
	Chairman/Member of the Committee of the Board of Directors of the Company	Nil
	Chairman/Member of the Committee of Directors of other companies:- a) Audit Committee b) Shareholders / Investors' Grievance Committee c) Remuneration Committee	Chairman - 1, Member - 1 Member - 1 Member - 2

PRADEEP METALS LIMITED**DIRECTORS' REPORT**

To,
The Shareholders

Your Directors are pleased to present the Twenty Fifth Annual Report together with the audited accounts for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS :

		Rs. in lacs
	2007-08	2006-07
Profit before Interest, Depreciation and Tax	954.24	697.04
Less :Interest	387.32	317.76
Profit before Depreciation and Tax	566.92	379.28
Less: Depreciation	135.08	126.09
Preliminary expenses written off	0.21	0.21
Profit before Tax	431.63	252.98
Less: Provision for Income Tax	50.00	0.65
Provision for Fringe Benefit Tax	5.00	-
Profit for the year	376.63	252.33

DIVIDEND:

In view of the past losses and need to conserve resources for future growth, your Directors are unable to recommend payment of any dividend.

PERFORMANCE :

The Company has significantly improved its' turnover to Rs. 7077.67 lacs (inclusive of Rs. 4.79 lacs income from Industrial Microwave Research Center) during the year as compared to Rs. 5503.87 lacs in the previous year registering an increase of 29%. The profit before interest, depreciation and tax has gone up by 37%. The cash accruals also have increased to Rs. 511.92 lacs as compared to Rs. 378.63 lacs during the previous year i. e. 35%.

Your Directors are also happy to inform you that your company has embarked on a new Research & Development program to improve the efficiency of manufacturing of metals and metal products by using microwaves at high temperature. This is an exciting new field which is the technology of the future. The Center for Research & Development is called Industrial Microwave Research Center and we have technical collaboration with Pennsylvania State University, USA.

EXPORTS :

During the year, exports of the Company were Rs. 3981.78 lacs as compared to Rs. 2739.74 lacs in the previous year showing an increase of 45%. This has been achieved mainly due to higher value added products and greater consumer satisfaction. Your Company hopes to sustain and increase its exports performance in the coming years.

QUALITY :

Your Company's focus on maintaining high level of quality consciousness is evident from its continued certification as an ISO 9001-2000 and Pressure Equipment Directive 97/23/EC (PED) approved manufacturing unit. Your Company makes concerted efforts for constant improvement in quality of its products.

Your Company has added several machines for precision machining of forged products and also enhanced its die making capability by installing modern CNC / VMC machines. These measures will further improve the quality of finished components.

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DEPOSITS:

The Company has not accepted any loans or deposits from the public in terms of Section 58A of the Companies Act, 1956 and rules framed under the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES:

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

HUMAN RESOURCE DEVELOPMENT:

The Company continuously carries out Training and Development programs for the benefit of the employees. The process for updating technical skills of employees and developing good work culture on the shop floor is ongoing regularly.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, are set out in the Annexure A and form part of this Report.

CORPORATE GOVERNANCE:

In compliance with the recommendations of Securities Exchange Board of India on Corporate Governance Report and the listing agreement of the Stock Exchange, a separate report on Corporate Governance and Management Discussion and Analysis giving details of the Company's business and operating results are annexed as **Annexure B**.

DIRECTORS:

In order to broaden the Board of Directors, Shri Raj Kumar Mittal, a Chartered Accountant and Dr. Kewal Krishan Nohria, an Industrialist have been appointed on the Board as Additional Directors on 29th January, 2008 and 14th April, 2008 respectively who will hold office till the ensuing Annual General Meeting. Notices proposing appointment of Shri Raj Kumar Mittal and Dr. Kewal Krishan Nohria as Directors have been received from the members of the Company in terms of Section 257 of the Companies Act, 1956.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Rakesh Kumar Agarwal and Shri Suresh G. Vaidya, Directors of the Company, retire by rotation and being eligible; have offered themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm:

- a. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2008 and of the profit or loss of the Company for the year ended on that date;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that the Directors have prepared the Annual Accounts on a going concern basis.

PRADEEP METALS LIMITED

**AUDITORS :**

The observations made in the Auditors' Report are to be read with the Notes to Accounts, which are self-explanatory and no further comments are necessary under Section 217(3) of the Companies, Act, 1956.

M/s. S. R. Rege & Co., Chartered Accountants, retire at the conclusion of the 25th Annual General Meeting and, being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENT :

Your Directors wish to express their gratitude for the assistance and co-operation received from Union Bank of India, Maharashtra State Electricity Board, Maharashtra Industrial Development Corporation, Navi Mumbai Municipal Corporation and other government and semi-government authorities, corporations and institutions.

Your Directors also thank all the shareholders and investors for reposing continued confidence in the Company.

Your Directors also wish to place on record their deep sense of appreciation for the devoted services of all the employees of the Company and their unstinted efforts for the progress of the Company.

By Order of the Board of Directors

Navi Mumbai
19th July, 2008

PRADEEP GOYAL
CHAIRMAN & MANAGING DIRECTOR

REGISTERED OFFICE :

Pradeep Metals Ltd.
R - 205, T.T.C. Industrial Area
M.I.D.C., Rabale, Navi Mumbai - 400 701.