



32nd
ANNUAL
REPORT
2014-15

PRADEEP METALS LIMITED

**TABLE OF CONTENTS**

<u>CONTENTS</u>	<u>PAGE NO.</u>
/ COMPANY INFORMATION	1
/ PERFORMANCE AT A GLANCE	2
/ NOTICE	3
/ DIRECTORS' REPORT	11
/ ANNEXURES TO DIRECTORS' REPORT	18
/ MANAGEMENT DISCUSSION & ANALYSIS	34
/ REPORT ON CORPORATE GOVERNANCE	36
/ AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE	49
/ CEO / CFO CERTIFICATION	49
/ AUDITOR'S REPORTS	50
/ FINANCIAL STATEMENTS	56

32nd ANNUAL REPORT 2015

COMPANY INFORMATION

Board of Directors

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

Chief Financial Officer

Rajeev Dixit

Company Secretary

Abhinay Kapoor

Statutory Auditors

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

Secretarial Auditors

M/s. Shweta Gokarn & Co.
Company Secretaries

Internal Auditors

M/s. ADV & Associates
Chartered Accountants

Cost Auditors

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

Bankers

Union Bank of India

Registered Office

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

Registrar and Transfer Agents

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



PRADEEP METALS LIMITED

PERFORMANCE AT A GLANCE (STANDALONE)

(Rs. in Lacs)

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

32nd ANNUAL REPORT 2015

NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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



PRADEEP METALS LIMITED

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

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

Sd/-

**ABHINAY KAPOOR
COMPANY SECRETARY**

Place: Navi Mumbai

Date: 3rd July, 2015

REGISTERED OFFICE:

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

NOTES

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

32nd ANNUAL REPORT 2015

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



PRADEEP METALS LIMITED

VOTING THROUGH ELECTRONIC MEANS

Registered Folio No./DP ID No./ Client ID:	Number of Shares held:
--	------------------------

Dear Member,

Subject: Instructions for e-voting

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

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

E-voting particulars:

EVEN (E-voting event number)	User ID	Password
------------------------------	---------	----------

The e-voting facility will be available during the following voting period:

Commencement of e-voting September 8, 2015 (9:00 am)	End of e-voting September 10, 2015 (5:00 pm)
---	---

Please read the instructions printed below before exercising your vote. These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on September 11, 2015.

Steps for e-voting:

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

32nd ANNUAL REPORT 2015

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

General Instructions

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

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



PRADEEP METALS LIMITED

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No: 3

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

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

Item No. 4

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