



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

**PRADEEP METALS LIMITED****PERFORMANCE AT A GLANCE (STANDALONE)**

	Rs. in lakhs				
PARTICULARS	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**:

“**RESOLVED THAT** Mr. Jayavardhan Dhar Diwan (DIN:01565319), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 13th May, 2017, and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (‘the Act’) and Article 112 of the Articles of Association of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”
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.