29th
ANNUAL
REPORT
2011-12

PRADEEP METALS LIMITED

VISION STATEMENT

To become the preferred strategic supplier of globally competitive precision die forging components to the engineering industry.

To continue to focus on innovative methods to achieve better customer satisfaction with excellence and professionalism

QUALITY POLICY

"To achieve Customer satisfaction,
by involvement of all employees and by using a Quality Management System, which ensures continual improvement in product quality"

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BOARD OF DIRECTORS

Pradeep Goyal	Chairman & Managing Director
Omprakash Agarwal	Director
Rakesh Kumar Agarwal	Director
Suresh G. Vaidya	Director
Raj Kumar Mittal	Director
Kewal Krishan Nohria	Director
Neeru Goyal	Director
Jaidev R. Shroff	Director
Rajeev D. Mehrotra	Director

COMPANY SECRETARY

Abhinay Kapoor

BANKERS

Union Bank of India

AUDITORS

S.R. Rege & Co.
Chartered Accountants

REGISTERED OFFICE & WORKS

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINTH ANNUAL GENERAL MEETING OF PRADEEP METALS LIMITED WILL BE HELD AT ITS REGISTERED OFFICE AT R-205, MIDC, RABALE, NAVI MUMBAI - 400701 ON THURSDAY, 6TH SEPTEMBER, 2012, AT 12.30 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, 2012 and the Balance Sheet as at that date.
2. To declare dividend on Equity Shares for the year 2011-2012.
3. To appoint Mr. Omprakash Agarwal, Director, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint Mr. Raj Kumar Mittal, Director, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business

6. To consider and pass, with or without modification/s, the following resolution as an **Ordinary Resolution**:-

   "RESOLVED THAT Mr. Rakesh Kumar Agarwal, who was appointed as an Additional Director on 12th August, 2011 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."
7. To consider and pass, with or without modification/s, the following resolution as an **Ordinary Resolution**:-

   "RESOLVED THAT Mr. Jaidev R. Shroff, who was appointed as an Additional Director on 12th August, 2011 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."
8. To consider and pass, with or without modification/s, the following resolution as an **Ordinary Resolution**:-

   "RESOLVED THAT Mr. Rajeev D. Mehrotra, who was appointed as an Additional Director on 5th May, 2012 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."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

   "RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311, 314 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII to the Companies Act, 1956 and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Pradeep Goyal as Chairman & Managing Director of the Company, for a period of 3 years with effect from 17th December, 2010 to 16th December, 2013, on the following remuneration:-

1. Basic Salary :

A.	From 17th December, 2010 to 30th September, 2012	: Rs.3,00,000/- per month
B.	From 1st October, 2012 to 16th December, 2013	: Rs.7,00,000/- per month

2. Perquisites (including Allowances) :

(a)	Leave Travel Allowance		The yearly payment in the form of allowance shall be equivalent to one month's basic salary.
(b)	Magazines /Books Allowance	:	Rs. 50,000/- per annum
(c)	Gas / Electricity / Maintenance Allowance	:	Rs. 96,000/- per annum
(d)	Medical reimbursement	:	Expenditure incurred by the Chairman & Managing Director and his family, subject to ceiling of one month's salary (basic) over a period of three years.
(e)	Club Fees	:	Actual fees for maximum of two clubs. Admission fee and life membership fee will not be paid by the Company.
(f)	Contribution to Provident Fund, Superannuation Fund or Annuity Fund	:	To the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
(g)	Gratuity	:	Payable at a rate not exceeding half month's salary for each completed year of service.
(h)	Encashment of leave	:	At the end of the tenure as per the Company's rules.
(i)	Car	:	For use on the Company's business.
(j)	Telephone	:	At residence and cellular phone. Personal long distance calls on telephone to be charged and recovered by the company.

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

RESOLVED FURTHER THAT where in any financial year during the tenure of the Chairman & Managing Director, the Company has no profit or has inadequate profit, the above remuneration shall be paid to Mr. Goyal as minimum remuneration with the approval of the Central Government, if required.

RESOLVED FURTHER THAT the term of office of Mr. Goyal as Chairman & Managing Director of the Company shall not to be subject to retirement by rotation.

RESOLVED FURTHER THAT Board of Directors and Company Secretary of the Company be and are hereby authorized to do all acts, deeds, matters and things as may be considered necessary, proper or desirable to give effect to this Resolution."

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

"**RESOLVED THAT** subject to the approval of the Central Government and pursuant to Section 309(5B) read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be deemed necessary, consent of the Shareholders of the Company be and is hereby accorded for making an application to the Central Government for the waiver of recovery of excess remuneration paid to Mr. Pradeep Goyal, Chairman & Managing Director of the Company, over and above the limits prescribed in Part-II of Schedule XIII of the Act, for the three Financial Years ended on March 31, 2010, March 31, 2011 and March 31, 2012, as detailed hereunder:

Period	Remuneration Paid (Amount in Rs.)	Eligible Remuneration as per Schedule XIII to the Companies Act, 1956 (Amount in Rs.)	Excess Remuneration Paid(Amount in Rs.)
April 01, 2009 to March 31, 2010	37,60,876/-	*36,00,000/-	1,60,876/-
April 01, 2010 to March 31, 2011	37,28,717/-	*36,00,000/-	1,28,717/-
April 01, 2011 to March 31, 2012	37,44,165/-	**38,65,661/-	-

* Arrived on Effective Capital basis

** 5% of pre-tax profit

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to make an application to Central Government by filing of E-form 25A for waiver of recovery of the excess remuneration paid to the Chairman & Managing Director and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

By Order of the Board of Directors
For PRADEEP METALS LTD

Navi Mumbai
30th July, 2012

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) 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 at least 7 (seven) days before the Meeting to enable the Management to keep the information ready at the Meeting.

(e) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

(f) All documents referred to in the accompanying Notice and Explanatory Statements, are open for inspection at the Registered Office of the Company on all working days between 11 am to 1 pm upto the date of the Annual General Meeting except on Sundays and other holidays.

(g) Members/Proxies are requested to bring their copies of the Annual Report to the Meeting.

(h) The Company's Equity Shares are the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialized form by all investors.

(i) The Register of Members & Transfer Books of the Company in respect of Equity Shares will remain closed from 30th August, 2012 to 6th September, 2012, (both days inclusive).

(j) Payment of dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 11th September, 2012 to the Members whose names stand in the Company's Register of Members on 30th August, 2012 and to the Beneficiary Holders as per the Beneficiary List provided for the purpose by the National Securities Depository Limited and Central Depository Services (India) Ltd.

(k) Sending the Annual Reports on e-mail ID of shareholders is allowed and you are requested to advise your e-mail ID if you want the Annual Reports to be sent on e-mail; then no separate Annual Report would be sent to you by post. Members are requested to report any changes in the e-mail ID that may have been registered with the Registrar and Transfer Agents of the Company or their decision to receive the Annual Reports by post instead. Any Member may ask for physical copies of the Annual Reports and the same would be sent to him/her free of cost.

Explanatory Statements

Item 6, 7 & 8

The Board of Directors have appointed Mr. Rakesh Kumar Agarwal and Mr. Jaidev R. Shroff as Additional Directors of the Company on 12th August, 2011 and Mr. Rajeev D. Mehrotra as an Additional Director on 5th May, 2012, to hold the office upto the date of this Annual General Meeting.

Mr. Rakesh Kumar Agarwal, aged 49 years, is a qualified Engineer with over 25 years experience in industry and import-export business. Mr. Agarwal is interested as Director/shareholder of 5 companies who are holding 24,00,000 (14.62%) Equity Shares of the Company, in aggregate.

Mr. Jaidev R. Shroff, aged 47 years, is a Science graduate and the Global CEO of United Phosphorus Group of Companies. He has experience of more than 20 years in various areas of the operations of the Group companies.

Mr. Rajeev D. Mehrotra, aged 46 years is a Commerce Graduate, CA (Inter) and MBA with over 20 years experience in the fields of banking, financial planning, etc.

The detailed particulars of Mr. Agarwal, Mr. Shroff and Mr. Mehrotra are given as per Annexure II attached herewith.

It is in the interest of the Company to continue to have the benefit of their immense experience and valuable advice to the Members of the Board.

The Company has received separate notices, along with deposit of Rs.500/- each from Members of the Company, under Section 257 of the Companies Act, 1956, proposing their candidature for the office of Directors.

Except Mr. Agarwal, Mr. Shroff and Mr. Mehrotra, who are interested in their respective appointment, no other Director is anyway concerned or interested in these Resolutions.

The Board of Directors recommends their appointment as Directors of the Company, liable to retire by rotation.

Item 9 & 10

Mr. Pradeep Goyal was re-appointed as Chairman & Managing Director of the Company from 17th December, 2010 to 16th December, 2013 by the Board at its meeting held on 28th October, 2010, on the recommendation of the Remuneration Committee, at the following remuneration:-

1.	Basic Salary	:	Rs.3,00,000/- per month.
2.	Perquisites and Allowances	:	
	(a) Leave Travel Allowance		The yearly payment in the form of allowance shall be equivalent to one month's basic salary.
	(b) Magazines/Books Allowance	:	Rs.50,000/- per annum
	(c) Gas/Electricity/Maintenance Allowance	:	Rs.96,000/- per annum
	(d) Medical reimbursement	:	Expenditure incurred by the Chairman & Managing Director and his family, subject to ceiling of one month's salary (basic) over a period of three years.
	(e) Club Fees	:	Actual fees for maximum of two clubs. Admission fee and life membership fee will not be paid by the Company.
	(f) Contribution to Provident Fund, Superannuation Fund or Annuity Fund	:	To the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
	(g) Gratuity	:	Payable at a rate not exceeding half month's salary for each completed year of service.
	(h) Encashment of leave	:	At the end of the tenure as per the Company's rules.
	(i) Car	:	For use on the Company's business.
	(j) Telephone	:	At residence and cellular phone. Personal long distance calls on telephone to be charged and recovered by the company.

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

3. In addition to the above, the Chairman & Managing Director shall be entitled for a Performance Variable Pay of maximum of Rs.10,00,000/- per annum. The exact quantum payable will be based on extent of achievement against the performance targets set by the Board of Directors and/or Remuneration Committee of Directors of the Company from time to time.

Where in any financial year during the tenure of the Chairman & Managing Director, the Company has no profit or has inadequate profit, the above remuneration shall be paid to Mr. Goyal as minimum remuneration with the approval of the Central Government, if required.

However, the Member's approval for the re-appointment and remuneration payable to Mr. Goyal was inadvertently not obtained.

The Board has, at its meeting held on 30th July, 2012, reviewed the performance of the Company during the last three years and placed on record its appreciation of the efforts and contribution made by Mr. Goyal in changing the product mix towards machined components enhancing productivity, enlarging the customers' base and improving profitability. The Board also observed that Mr. Goyal has not claimed annual increments and performance variable pay in the earlier years despite improved profitability. As recommended by the Remuneration Committee and looking to the remuneration being commanded by Chief Executive Officers with similar qualifications and experience in the industry, the Board decided to increase the remuneration payable to Mr. Goyal from Rs.3,00,000/- per month to Rs.7,00,000/- per month and perquisites and allowances as mentioned at S.No.2 above, w.e.f. 1st October, 2012. However, no performance variable pay will be payable to Mr. Goyal.

The information as required under Scheduled XIII part II Section II (1) (B) (iv) and (C) (iv) is given in the Annexure III attached here to.

As, the total remuneration proposed and paid to Mr. Pradeep Goyal, Chairman & Managing Director of the Company was exceeding the eligible limits under Section 309 read with Schedule XIII to the Companies Act, 1956, the Company was required to make separate applications to the Central Government for re-appointment and waiver of excess remuneration paid to him. The details of the excess remuneration paid are as follows:

Period	Remuneration Paid (Amount in Rs.)	Eligible Remuneration as per Schedule XIII to the Companies Act, 1956 (Amount in Rs.)	Excess Remuneration Paid(Amount in Rs.)
April 01, 2009 to March 31, 2010	37,60,876/-	* 36,00,000/-	1,60,876/-
April 01, 2010 to March 31, 2011	37,28,717/-	*36,00,000/-	1,28,717/-
April 01, 2011 to March 31, 2012	37,44,165/-	**38,65,661/-	-

* Arrived on Effective Capital basis

**5% of pre-tax profit

The Company is in process of making necessary applications to the Central Government for re-appointment and waiver of excess remuneration paid to Mr. Pradeep Goyal.

Your Directors are of the opinion that the re-appointment of Mr. Pradeep Goyal as Chairman & Managing Director of the Company and waiver of recovery of excess remuneration paid to Mr. Pradeep Goyal are in the best interests of the Company.

None of the Directors of the Company, other than Mr. Pradeep Goyal himself and Mrs. Neeru Pradeep Goyal, Director is deemed to be concerned or interested in the above resolutions.

The Board recommends to the Members to consider and approve the Special Resolutions for re-appointment of Mr. Goyal as Chairman & Managing Director of the Company and remuneration (including revised remuneration) paid/to be paid to Mr. Goyal and waiver of recovery of excess remuneration paid to Mr. Goyal. The Members are also requested to authorize the Board to approach the Central Government for seeking necessary waiver/s and approval/s 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.

ANNEXURE I TO THE NOTICE

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/RE-APPOINTED

Item Nos. 3 & 4

Name of the Director	Mr. Omprakash Agarwal	Mr. Raj Kumar Mittal
Date of Birth	25th March, 1940	5th May, 1944
Date of Appointment	10th May, 2001	29th January, 2008
Expertise in Specific	Production & Marketing of engineering goods for more than 40 years	Financial Consultancy Services for more than 35 years
Qualification	B.E. (Mech), Birla College of Engineering, Pilani	B.Com (Hons), F.C.A.
List of outside Directorships held	Economic Forge (P) Ltd. Supreme Heat Treaters (P) Ltd. Dhanlabh Engineering Works Pvt. Ltd. Rabale Engineering India Pvt. Ltd.	Elegant Marbles & Grani Industries Ltd. C S Enterprises Pvt. Ltd. Vithal Finvest and Consultants Pvt. Ltd. Mumbai Vaish Seva Sansthan Market Entry Solutions Pvt. Ltd. IITL Projects Ltd. Industrial Investment Trust Ltd. IIT Investrust Ltd. IIT Insurance Broking and Risk Management Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman, Shareholders'/Investors' Grievance Committee Chairman, Remuneration Committee	Chairman, Audit Committee
Chairman/Member of the Committee of Directors of other listed companies:-		
a) Audit Committee	Nil	Chairman 3, Member Nil
b) Shareholders' / Investors' Grievance Committee	Nil	Chairman 1, Member 2
c) Remuneration Committee	Nil	Nil
d) Share Transfer Committee	Nil	Nil

ANNEXURE II TO THE NOTICE

Item Nos. 6,7 &8

Name of the Director	Mr. Rakesh Kumar Agarwal	Mr. Jaidev R. Shroff	Mr. Rajeev D. Mehrotra
Date of Birth	10^{th} June, 1963	4^{th} October, 1965	1^{st} July, 1966
Date of Appointment	12^{th} August, 2011	12^{th} August, 2011	5^{th} May, 2012
Expertise in Specific functional area	Technical And Management Expert	Industrialist	Financial Expert
Qualification	B.E. (Mech)	B.Sc.	B.Com, CA (Inter), MBA
List of outside Directorships held	Asis Industries Ltd. Asis Logistics Ltd. Asis Global Ltd. Labh Capital Services P. Ltd. Asis Living In Style P. Ltd. Repute Properties Pvt. Ltd. Shirdi Industries Ltd. Asis Plywood Pvt. Ltd.	United Phosphorus Ltd. Uniphos Enterprises Ltd. Enviro Technology Ltd. Nivi Trading Ltd. Ventura Guaranty Ltd. Bharuch Enviro Infrastructure Ltd. Tatva Global Environment Ltd. Advanta India Ltd. Nirlon Ltd. Shivalik Solid Waste Management Ltd. Latur Water Supply Management co. Ltd. Sharvak Environment Ltd. Entrust Environment Ltd. Tatva Global Environment (Deonar) Ltd.	Credit Alpha Alternative Investment Advisors Pvt. Ltd. Projmat Infrastructure (India) Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Member, Audit Committee Member, Remuneration Committee Member, Shareholders' / Investors' Grievance Committee	Nil	Nil
Chairman/Member of the Committee of Directors of other companies:-			
a) Audit Committee	Member – 1	Nil	Nil
b) Shareholders/ Investors' Grievance Committee	Member - 1	Member - 1	Nil
c) Remuneration Committee	Nil	Nil	Nil
d) Share Transfer Committee	Nil	Nil	Nil

ANNEXURE III TO THE NOTICE

STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION (1) (B) (IV) AND (C) (IV) OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 IN RESPECT TO ITEM NO.9 OF THE NOTICE

A. General Information

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

(Rs. in lacs)

Year	2011-2012*	2010-2011*	2009-2010
Gross Receipts	11797.41	8788.35	5346.63
Profit Before Exceptional Items & Tax	735.69	623.89	130.57
Profit After Exceptional Items & Tax	735.69	623.89	130.57

* Figures for Accounting Year 2010-2011 and 2011-2012 are as per revised Schedule VI of the Companies Act, 1956

5) Export performance and net foreign exchange earnings during the financial year 2011-2012:
   Export turnover : Rs. 6665.64 lacs
   Net foreign exchange earnings : Rs. 6395.05 lacs
6) Foreign investments or collaborators, if any - Not applicable

B. Information about the appointee

(1) Background details

Mr. Pradeep Goyal is a qualified engineer having completed his B.Tech. (Metallurgy) from Indian Institute of Technology, Kanpur (1978), and obtained his S.M. (Material Science and Engineering) from the world renowned Massachusetts Institute of Technology, Cambridge, MA, USA (1980). He is currently on the Board of Directors of United Phosphorous Ltd., Uniphos Enterprises Ltd., Entegra Ltd., Hind Rectifiers Ltd. and Janakalyan Sahakari Bank Ltd. He was trained with Mukand Limited, India and Degussa International, Hanau, West Germany. He also worked at Air Products & Chemicals Inc. Allentown, PA, USA for 3 years at various positions before he joined as Whole Time Director of Pradeep Metals Limited in 1983. He was promoted as Chairman & Managing Director of the Company on 31st August, 2001. He has been a Trustee of ASM International, USA and a member of All India Manufacturers Organization. He is a Member of Indo-German Chamber of Commerce, Indian Merchants Chamber and Thane Belapur Industries Association.

(2) Past remuneration

As Chairman & Managing Director of Pradeep Metals Ltd., he draws salary of Rs.3,00,000/- per month. He is also eligible for perquisites and allowances as permitted to senior executives of the Company. The salary and perquisites aggregating to Rs. 37,60,876/-, Rs. 37,28,717/- and Rs.37,44,165/- were paid to him in financial years 2009-2010, 2010-2011 and 2011-2012, respectively.

(3) Recognitions and awards

He was awarded the first 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.

(4) Job profile and suitability

Mr. Pradeep Goyal is the Chairman & Managing Director of the Company and functions as its Chief

Executive Officer. The Company has seen exceptional growth since last many years with his technical and marketing expertise.

(5) Remuneration proposed

As per the terms and conditions given in the proposed resolution as part of Notice of Annual General Meeting.

(6) Comparative remuneration profile with respect to industry; size of company; profile and position of the person

Considering the qualifications and experience of Mr. Pradeep Goyal and looking to the considerable growth of the Company and its increasing revenue, the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in the industry.

(7) Pecuniary relationship directly or indirectly, with the company, or relation with the managerial person

Mr. Pradeep Goyal belongs to the Promoters' Group and is related to Mrs. Neeru Pradeep Goyal, Director. Besides remuneration being paid / proposed to paid, he does not have any pecuniary relationship with the Company.

C. Other Information

(1) Reasons of loss or inadequate profits

Business profits had been low in the past due to several reasons like overall economic position in the automobile industry, high interest rates, frequent increases in energy & raw material costs and competitive market conditions. The Company 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 business as well as the profitability of the Company are expected to show further upward trend.

(2) Steps taken or proposed to be taken for improvement

The Company has developed new customers and also new components for existing customers during the last financial year resulting in new business. The Company has also embarked on several steel yield improvement methods for improved profitability. The results of these steps and other initiatives will be seen in the coming years.

(3) 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;

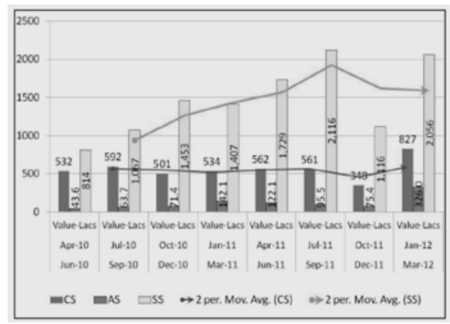
(Rs. in lacs)

Year	2012-2013	2013-2014	2014-2015
Gross Receipts	14400	16200	18000
Net Profit before Tax	1080	1296	1440
Net Profit after Tax	730	876	973

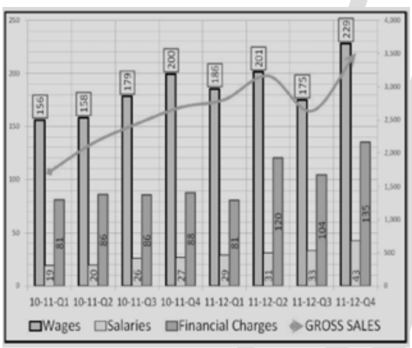
PERFORMANCE AT A GLANCE

GROSS SALES - Rs. in Lacs

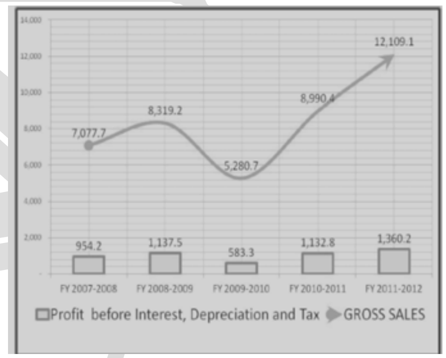
PRODUCTION - Rs. in Lacs



EXPENSES - Rs. in Lacs



EBIDTA - Rs. in Lacs



FINANCIAL HIGHLIGHTS

Rs. In Lacs

	2011 - 12	2010 - 11	2009 -10	2008 - 09	2007 - 08
Sales and Other Income	12,312	9,042	5,347	8,496	7,232
	12,312	9,042	5,347	8,496	7,232
Profit before Interest, Depreciation and Tax	1360	1,133	583	1,137	954
Less : Interest	440	342	309	403	387
Less: Depreciation	181	167	144	137	135
Less: Preliminary expenses written off	3	1	0	0	0
Add: Charge on account of transitional provision of Accounting Standard 15 (revised)	-	-	-	20	(20)
Profit before Tax	736	624	131	597	432
Less: Provision for Tax	228	124	24	74	55
(Add) / Less : Provision for Deferred Tax Assets/Liability	5	277	74	(334)	-
Profit for year before Dividend	**503**	**222**	**33**	**878**	**356**

DIRECTORS' REPORT

To,
The Shareholders

Your Directors are pleased to present the Twenty Ninth Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS :

	Rs. in Lacs	
	2011-12	2010-11
Revenue from Operations and Other Income	**11797.41**	8788.35
Less: Excise Duty	**541.98**	446.85
	11255.43	8341.50
Profit before Interest, Depreciation and Tax	**1360.23**	1132.81
Less : Finance Costs	**440.30**	341.58
Less: Depreciation and Amortization cost	**181.44**	166.60
Less: Preliminary expenses written off	**2.80**	0.74
Profit before Tax	**735.69**	623.89
Less: Provision for Income Tax	**227.81**	124.40
(Add)/Less: Income Tax Adjustment for prior years	**0.00**	(0.01)
(Add)/Less: Provision for Deferred Tax (Assets)/Liability and MAT credit entitlement	**(75.21)**	277.34
Add: Balance of Profit and Loss Account from previous year	**75.95**	152.41
Less: Amount transferred to General Reserve	**120.00**	0.00
Less: Dividend on 10% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) for the years ended March 2000, 2001 and 2002 (including Tax on Dividend of Rs. 21.42 lacs)	**0.00**	150.38
Less: Proposed Dividend on Equity Shares for the year (including dividend distribution tax Rs. 26.64 lacs (previous year Rs. 21.42 lacs)	**190.84**	148.24
Balance Carried Forward	**348.20**	75.95

DIVIDEND:

The Directors of the Company are pleased to recommend a dividend of 10%, i.e. Re 1.00 per equity share of Rs. 10 each, for the year ended 31st March, 2012. On approval by the Members at the ensuing Annual General Meeting, the said dividend would be paid to those Members, whose names appear on the Register of Members as on the date of Book Closure and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited.

PERFORMANCE :

The Company has significantly improved its turnover to Rs. 11797.41 Lacs during the year as compared to Rs. 8788.35 Lacs (inclusive of Excise Duty) in the previous year, registering an increase of 34.23%. The profit before interest, depreciation and tax has improved from Rs. 1132.81 Lacs in the year 2010-11 to Rs. 1360.23 Lacs during the current year i.e. a growth of 20.08%. The future outlook of the Company's business is dealt within the Management Discussion and Analysis.

EXPORTS :

During the year, the Company has achieved exports earning of Rs. 6665.64 Lacs as compared to Rs. 3836.45 Lacs in the previous year, showing an increase of 73.74%. This has been achieved mainly due to export of higher value added products and greater customer satisfaction as also the improved market conditions in the Western world such as USA and Europe. Development of new customers also played a significant role in the growth. Your company is confident to further increase its export performance in the coming years by exploring new markets, developing new products and targeting new customers.

QUALITY:

The Company uses an in-house laboratory, process control, continuous improvement principles and an online integrated system to closely monitor the quality of its operations. These quality assurance systems have been approved by Global Original Equipment Manufacturers (OEMs) including nuclear grade and high-pressure equipment OEMs in Germany, USA and Canada. The Company is certified to ISO 9001:2008 (for sixteen consecutive years) and TÜV Pressure Equipment Directive 97/23/EC (PED) standards.

The Company uses state-of-the-art machinery with sophisticated tool-room equipment to manufacture its forgings. The Company also employs hi-tech design and analysis software to create dies and tooling that play a key role in the production of forgings. The manufacturing plant is integrated with complete facilities for testing, cutting, die making, forging, heat-treatment and finishing. Recently, The Company improved its machining capacity and capabilities by adding new Computer Numerical Control (CNC) machines and Vertical Machining Centers (VMC).

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:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are required to be set out in the annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary.

HUMAN RESOURCE DEVELOPMENT:

The Company believes that human resources are a valuable asset. The Company continuously conducts 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 the 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** and **Annexure C**.

DIRECTORS:

Your Directors regret to report the sad demise of Mr. Dinesh T. Parekh on 26th January, 2012. Mr. Dinesh T. Parekh joined the Board in 2003. His expertise and contribution to the Board were excellent. The Board places on record its grief over his sudden demise and express its gratitude for his contributions.

During the year, Mr. Rajnikant D. Shroff resigned from the Board. The Directors place on record their sincere appreciation for his services and valuable contribution in the development and growth of the Company.

Further, pursuant to the provisions of Section 260 of the Companies Act, 1956 and as per the provisions of the Articles of Association of the Company, Mr. Jaidev R. Shroff and Mr. Rakesh Kumar Agarwal have been appointed as Additional Directors with effect from 12th August, 2011 and Mr. Rajeev D. Mehrotra from 5th May, 2012. The Company has received separate notices from the Members for their appointment as Directors, liable to retire by rotation.

Further, in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Omprakash Agarwal and Mr. Raj Kumar Mittal, Directors of the Company, retire by rotation and being eligible, have offered themselves for re-appointment.

As required by Clause 49 of the Listing Agreement with the Stock Exchange, the brief resume of Mr. Omprakash Agarwal, Mr. Raj Kumar Mittal, Mr. Jaidev R. Shroff, Mr. Rakesh Kumar Agarwal and Mr. Rajeev D. Mehrotra are provided in the Notice convening the Annual General Meeting of the Company.

The Board recommends the appointment/re-appointment of the above named Directors.

RE-APPOINTMENT OF THE CHAIRMAN & MANAGING DIRECTOR AND REVISION IN REMUNERATION

The Board recommends to the Members to consider and approve the Special Resolution for re-appointment of Mr. Pradeep Goyal as Chairman & Managing Director of the Company and remuneration (including revised remuneration) paid/to be paid to Mr. Goyal and waiver of recovery of excess remuneration paid to Mr. Goyal, as per details mentioned in the Notice. The Members are also requested to authorize the Board to approach the Central Government for seeking necessary wavier/s and approval/s in the matter as mentioned in the Notice.

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, 2012, 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, 2012 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.

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 29th 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
30th July, 2012

PRADEEP GOYAL
CHAIRMAN & MANAGING DIRECTOR

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

ANNEXURE A

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956

1. CONSERVATION OF ENERGY :

The Company continuously makes efforts to conserve energy. Conservair system to optimize compressed air consumption was installed and is working satisfactorily. All sodium vapour high-bay lights were replaced by low energy tube-lights, including all domestic lighting. Constant monitoring of compressed air leakage is introduced on weekly basis. Electrical system is upgraded to achieve unity power factor, resulting in significant discount from MSEB. High energy consuming machines are preferably operated in night shifts, when power tariff is low.

2. TOTAL ENERGY CONSUMPTION & ENERGY CONSUMPTION PER UNIT OF PRODUCTION :

A. Power & Fuel Consumption :

	31/03/2012	**31/03/2011**
1. Electricity *		
a. Purchased (Unit Nos.)	5,190,240	4,759,590
Total amount (Rs.)	32,550,090	27,173,850
Average rate (Rs./unit)	6.27	5.71
b. Own generation	N.A.	N.A.
2. Furnace Oil		
Quantity (Ltrs.)	202,640	419,200
Total amount (Rs.)	8,670,719	13,197,561
Average rate (Rs./Ltr.)	42.79	31.48
3. Light Diesel Oil (LDO)		
Quantity (Ltrs.)	298,101	227,440
Total amount (Rs.)	17,388,996	10,973,790
Average rate (Rs./Ltr.)	58.33	48.25
4. Methyl Ester		
Quantity (Ltrs.)	Nil	5,237
Total amount (Rs.)		203,306
Average rate (Rs./Ltr.)		38.82
5. RE-100		
Quantity (Ltrs.)	Nil	35,189
Total amount (Rs.)		1,355,994
Average rate (Rs./Ltr.)		38.53
6. Piped Natural Gas**		
Quantity (Cubic Meter)	264,417	Nil
Total amount (Rs.)	8,541,503	
Average rate (Rs./Cubic Meter)	32.30	

B. Consumption per unit of Production :

Production	(MT [forged wt])	4337	3613
Electricity	(Units/MT)	1197	1317
Cost/MT	(Rs./MT)	7505	7521
Furnace Oil/LDO/ Methyl Ester/RE-100 Piped Natural Gas	Ltrs./MT	176	190
Fuel Energy Cost	(Rs./MT)	7978	7121

* Electricity cost increased by about 10% compared to previous year. However, due to effects taken for conservation, the expense per MT has remained same, resulting in about 9% reduction in consumption per MT.

** The Company has replaced Furnace Oil/LDO/Methyl Ester and other liquid fuels by pipe natural gas from 23rd December, 2011 to save energy cost and to protect the environment. Though Furnace Oil and LDO costs increased by 36% & 21% respectively, the overall impact was a modest increase of 12% in the cost of fuel per MT (7% decrease in fuel consumption per MT).

C. Technology Absorption :

1. **Research & Development :**
   The Company is constantly improving the design of dies and trim tools to reduce raw material consumption and achieve better quality and yield.

2. **Benefits derived:**
   Improvement in productivity, quality and yield and energy saving.

3. **Future Plans:**
   The Company has installed an imported circular saw and high speed band saws for increasing the cutting capacity with high speed, particularly stainless steels. New CNC machines for manufacturing finished products have been installed since the overall demand for finished products has increased. The Company has placed order for new recuperators for furnaces which will further reduce the fuel consumption almost by 20%. The Company is using innovative methods for reducing use of consumables which will result in savings.

4. **Expenditure on Research & Development :**
   Since Research & Development is carried out in-house, as a part of the ongoing manufacturing operations, the expenditure is not separately accounted for and the same is debited to the respective accounts.

5. **Technology Absorption, Adoption and Innovation :**
   Continuous improvements in the manufacturing process and focus on development of intricate precision forgings for export form part of the ongoing operations of the Company. The Company continues to adopt Lean manufacturing methods to further improve manufacturing practices.

D. Foreign Exchange Earnings and Outgo:

Total foreign exchange used and earned:

Used : Rs. 27,058,838/-

Earned : Rs. 666,563,588/-

ANNEXURE B

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2012 as required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd.

1. **Company's philosophy on corporate governance.**
Pradeep Metals Limited (PML) is committed to the highest standards of corporate governance in all its endeavors by inculcating in all its operations and processes, the principles of transparency, integrity, professionalism and accountability. PML believes in corporate governance as a necessary culture for achieving superior performance and its core being transparency, accountability, equity and openness in the working of the management and the Board. Sound corporate governance in line with Clause 49 of the Listing Agreement and SEBI guidelines has been put in place.

2. **Board of Directors**
In terms of the Company's corporate governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of supervision, control and direction of the Company.

(A) Composition of the Board
The Board of Directors consists of Executive and Non-Executive Directors. The total number of Directors of the Company is NINE, including the Chairman & Managing Director.

Name of Director	Category Promoters, Executive, Non-Executive, Independent	No. of Board Meetings attended	Last AGM attended (04/07/2011)	No. of Other Directorships held (excluding private & foreign companies as on 31/03/2012)	Committee Membership(s) of other companies	
					Member	Chairman
Pradeep Goyal	Promoters' Group, Chairman & Managing Director	9	Yes	4	7	3
Rajnikant D. Shroff *	Non-Executive, Independent	Nil	N.A.	N.A	N.A.	N.A
Kewal K. Nohria	Non- Executive Independent	6	Yes	7	5	2
Omprakash Agarwal	Non-Executive, Independent	7	Yes	Nil	Nil	Nil
Rakesh Kumar Agarwal **	Non-Executive, Non Independent	Nil	No	4	2	Nil
Dinesh T. Parekh #	Non-Executive, Independent	4	Yes	Nil	Nil	Nil
Suresh G. Vaidya	Non-Executive, Independent	6	Yes	1	Nil	Nil
Raj Kumar Mittal	Non- Executive, Independent	9	Yes	4	6	5
Neeru Pradeep Goyal	Promoters' Group, Non- Executive	9	Yes	Nil	Nil	Nil
Jaidev R. Shroff **	Non- Executive Independent	1	No	13	1	Nil
Rajeev D. Mehrotra***	Non-Executive Independent	N.A.	N.A.	Nil	Nil	Ni.

* Resigned w.e.f. 19th August, 2011
** Joined w.e.f. 12th August, 2011
*** Joined w.e.f. 5th May, 2012
# Expired on 26th January, 2012

B) Meetings

During the financial year 2011 –12, NINE meetings of the Board were held on 8th April, 2011, 9th May, 2011, 27th May, 2011, 4th July, 2011, 12th August, 2011, 28th September, 2011, 7th November, 2011, 14th January, 2012 and 4th February, 2012.

(C) Code of Conduct

The Board has laid down a code of conduct which is applicable to all the Board members and Senior Management of the Company.

3. Committees of the Board

The Board has constituted three committees namely, Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee.

i) Audit Committee

The Company has set up an Audit Committee in accordance with the requirements of Section 292A of the Companies Act, 1956 and the terms of reference are in conformity with the revised Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited.

The broad terms of reference of the Audit Committee include reviewing of financial statements before submission to the Board, reviewing the report of internal audit, reviewing accounting and financial policies and internal control procedures, financial reporting systems and risk management policies. In addition, the powers and role of the Audit Committee are as laid down under Clause 49 II C & D of the Listing Agreement and Section 292 A of the Companies Act, 1956.

The Committee met six times during the financial year on 8th April, 2011, 9th May, 2011, 12th August, 2011, 7th November, 2011, 14th January, 2012 and 4th February, 2012.

The Audit Committee consists of the following Directors as on 31st March, 2012:

Sr.No	Name of Director	Executive, Non-Executive, Independent	No. of Meetings attended
1	Raj Kumar Mittal	Chairman,Non-Executive, Independent	6
2	Dinesh T. Parekh #	Member, Non Executive, Independent	3
3	Suresh G. Vaidya	Member, Non Executive, Independent	5
4	Kewal K. Nohria	Member, Non Executive, Independent	3
5	Rajnikant D. Shroff *	Member, Non Executive, Independent	Nil
6	Rakesh Kumar Agarwal **	Member, Non Executive, Non Independent	Nil

* Resigned w.e.f. 19th August, 2011
** Joined w.e.f. 12th August, 2011
# Expired on 26th January, 2012

All the members of the audit committee are Independent and Non-Executive Directors. They possess adequate knowledge of Accounts, Audit, Finance, etc.
There is no subsidiary company.

ii) Shareholders'/Investors' Grievances Committee

Pursuant to Clause 49 of the Listing Agreement, the Company has formed a Shareholders'/Investors' Grievance Committee of the Board of Directors.

The Committee oversees redressal of shareholders' and investors' grievances like transfer of shares, non-receipt of Annual Report or dividends and approves the sub-division, transmission or issue of duplicate shares, etc. The Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

The Board has designated Mr. Abhinay Kapoor, Company Secretary, as the Compliance Officer.

The Committee met four times during the financial year on 9th May, 2011, 12th August, 2011, 7th November, 2011 and 4th February, 2012.

The Committee consists of the following Directors:

Sr. No	Name of Director	Position	No of Meetings attended
1	Omprakash Agarwal	Chairman	3
2	Dinesh T. Parekh*	Member	2
3	Suresh G. Vaidya	Member	2
4	Rakesh Kumar Agarwal**	Member	Nil

* Expired on 26th January, 2012

** Joined on 4th February, 2012

During the year, the Company received fifteen (15) complaints, which were resolved within 30 days to the satisfaction of the Shareholders/ Investors. As on 31st March, 2012, no complaints were pending at the beginning and at the end of the year.

iii) Remuneration Committee

The Remuneration Committee has been constituted to review and recommend the remuneration package to be paid to the Directors.

During the year, no meeting of Remuneration Committee was held.

The Committee consists of the following Directors:

Sr. No	Name of Director	Position
1	Omprakash Agarwal	Chairman
2	Rakesh Kumar Agarwal	Member
3	Suresh G. Vaidya	Member

During the financial year ended 31st March, 2012, the Company paid remuneration to its Directors as per the details given below:

Name of the Director	Remuneration (Rs)	Remarks
Pradeep Goyal Chairman & Managing Director	37,44,165	Salary & Perquisites

The Non-Executive Directors are paid sitting fees of Rs. 2,000/- and Rs. 1,000/- for each meeting of the Board and its Committees attended by them respectively.

The following Directors have been paid sitting fees:

Name of the Director	Sitting Fees(in Rs.)
Omprakash Agarwal	17,000
Rakesh Kumar Agarwal	Nil
Dinesh T. Parekh	13,000
Suresh G. Vaidya	19,000
Raj Kumar Mittal	18,000
Kewal K. Nohria	15,000
Neeru Pradeep Goyal	18,000
Jaidev R. Shroff	2,000

Apart from the above, none of the Non-executive Directors had any pecuniary relationship or transactions with the Company.

4. Annual General Meeting

The particulars of the last three Annual General Meetings (AGM) of the Company are as under:

Year	Date	Time	Venue
2010-2011	4th July, 2011	12.30 p.m.	Registered office of the Company
2009-2010	27th August, 2010	4.00 p.m.	— As above—
2008-2009	31st July, 2009	4.00 p.m.	— As above—

An Extra Ordinary General Meeting was held on 6th May, 2011 at 11.00 a.m. at the Registered office of the Company for the following matters:

a) Increase in authorised Share Capital
b) Amendment of Memorandum And Articles of Association
c) Preferential issue of Equity Shares and Warrants
d) Payment of arrears of Dividend on 10% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)

No Special Resolution was put through Postal Ballot last year.

5. Disclosures

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in Notes to Accounts – Schedule 16 – forming part of the Annual Accounts. However, these transactions are not likely to have any conflict with the Company's interest.

6. Constituents of Promoters' Group within the meaning of group under SEBI (Substantial Acquisition of Shares and Take over) Regulation, 1997 include

i) Flashnet Info Solutions (India) Ltd.,
ii) S.V. Shah Construction Services Pvt. Ltd.
iii) Rabale Engineering (India) Pvt. Ltd.
iv) B.S. Metal Pvt. Ltd.
v) Dhanlabh Engineering Works Pvt. Ltd.
vi) Anchor Engineering Corporation
vii) Shubh Industrial Park Pvt. Ltd.
viii) Mrs. Chandrakanta Goyal
ix) Mr. Pradeep Goyal
x) Mrs. Neeru Goyal
xi) Mr. Abhinav Goyal
xii) Mr. Piyush Goyal
xiii) Mrs. Seema Goyal

7. Means of Communication

The Company publishes its quarterly and yearly unaudited financial results in Asian Age (in English) and Dainik Sagar (in Marathi). The Company also sends the financial results to the Bombay Stock Exchange Limited immediately after its approval by the Board. The Company has not sent half yearly report to the shareholders. No presentation was made to the institutional investors or analysts during the year under review.

8. Internal Control System and Adequacy:

The Company has adequate internal control procedures commensurate with its size and nature of the business. The Internal Control System provides for well-documented policies, guidelines, authorization and procedures. The prime objective is to test the adequacy and effectiveness of all internal controls and to suggest improvements therein.

9. Human Resources:

The Company focuses its efforts on continuous training and development of its personnel and regularly reviews policies and processes to provide a healthy work environment.

The industrial relations were cordial during the year. The Company continues to maintain its thrust on human resources development.

10. General Shareholders Information

a. Disclosures regarding Appointment/Re-appointment of Directors

Mr. Omprakash Agarwal and Mr. Raj Kumar Mittal, Directors retire by rotation and, being eligible, have offered themselves for re-appointment.

b. CEO/CFO Certification

The Board of Directors has appointed Mr. Pradeep Goyal, Chairman & Managing Director of the Company as the CEO. Mr. Dilip Dalvi is Manager (Accounts) and CFO of the Company.

c. The Annual General Meeting is scheduled to be held as under:

Date : Thursday, 6th September, 2012

Time : 12.30 p.m.

Venue : Pradeep Metals Ltd., R-205, T.T.C. Industrial Area, MIDC, Rabale, Navi Mumbai–400701.

d. Book Closure :

30th August, 2012 to 6th September, 2012 (Both days inclusive)

e. Dividend Payment Date : On or after 11th September, 2012

f. Financial Calendar :

Financial reporting for	Tentative date
Unaudited Financial Results for the quarter ending 30th June, 2012	On or before last week of July 2012
Unaudited Financial Results for the half year ending 30th September, 2012	On or before last week of October, 2012
Unaudited Financial Results for the quarter ending 31st December, 2012	On or before last week of January, 2013
Audited Financial Results for the Year ending 31st March, 2013	On or before last week of May 2013

Equity Shares of Pradeep Metals Limited are listed on the Bombay Stock Exchange Limited. Listing fees for the current year have been paid to the Stock Exchange within the stipulated time.

g. Stock Code:

Name of the Exchange	**Code**
Bombay Stock Exchange Ltd.	513532

h. ISIN No. for Dematerialisation of shares

Demat ISIN Number in NSDL & CDSL for equity shares: INE – 770A01010

i. Market Price Data :

The high and low prices of the Company's Shares at Bombay Stock Exchange Limited and performance in relation to BSE SENSEX are as under:

Month		Bombay Stock Exchange Ltd.		BSE Sensex	
		High (Rs.)	Low (Rs.)	High	Low
April	2011	21.50	18.70	19811.14	18976.19
May	2011	20.15	18.50	19253.87	17786.13
June	2011	22.50	19.50	18873.39	17314.38
July	2011	24.00	20.75	19131.70	18131.86
August	2011	23.00	19.50	18440.07	15765.53
September	2011	21.00	19.00	17211.80	15801.01
October	2011	19.00	17.15	17908.13	15745.43
November	2011	19.00	15.70	17702.26	15478.69
December	2011	17.70	15.25	17003.71	15135.86
January	2012	17.70	15.75	17258.97	15358.02
February	2012	17.95	15.75	18523.78	17061.55
March	2012	17.25	13.55	18040.69	16920.61

j. **Address for correspondence** :

Shareholders can correspond to Secretarial Department
Pradeep Metals Ltd.
R-205, M.I.D.C., Rabale, Navi Mumbai – 400 701
Tel: 91-22-27691026 Fax: 91-22-27691123
e-mail: investors@pradeepmetals.com
OR
Link Intime India Pvt. Ltd.
(R&T Agent)
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

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

k. **Compliance Officer** : Mr. Abhinay Kapoor
Company Secretary
Pradeep Metals Ltd.
R-205, MIDC, Rabale, Navi Mumbai - 400 701
Tel.: 91-22-27691026 Fax: 91-22-27691123
E-mail: investors@pradeepmetals.com

l. **Share Transfer System :**

All the transfers received are processed and approved by the Share Transfer Committee, which normally meets twice in a month.

m. **Dematerialisation of Shares :**

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 29th January, 2001 as per notification issued by the Securities & Exchange Board of India. As on 31st March, 2012, 1,43,22,580 Equity Shares (i.e. 87.22%) out of 1,64,20,000 Equity Shares are held in dematerialized form with NSDL and CDSL.

Transfer-cum-demat facility is available to all Shareholders of the Company, who request for such facility.

Distribution Schedule and Shareholding Pattern as on 31st March, 2012

DISTRIBUTION SCHEDULE		
Category No. of Shares	**No. of Shareholders**	**No. of Shares**
1 – 500	5908	928932
501 – 1000	487	428156
1001 – 2000	230	347751
2001 – 3000	71	187981
3001 – 4000	34	124116
4001 – 5000	40	193895
5001 – 10000	63	479457
10001 and above	62	13729712
TOTAL	6895	16420000

SHAREHOLDING PATTERN		
Category of Shareholders	**No. of Shares**	**%**
Promoters	6261960	38.14
Mutual Funds and UTI	9000	0.05
Banks, Financial Institutions, Insurance Companies	-	-
Foreign Institutional Investors	4100	0.02
Bodies Corporate	3784473	23.05
Indian Public	4332383	26.39
Non Resident Individuals / Overseas Corporate Bodies	1702642	10.37
Any Other - Clearing Member, Independent Director and Trust	325442	1.83
TOTAL	16420000	100

ANNEXURE C

MANAGEMENT DISCUSSION AND ANALYSIS

Company Background:

Pradeep Metals Limited (Company) is engaged in the manufacture of intricate closed die stainless, alloy and carbon steel forgings as finished and semi-finished machined components.

The Company uses state-of-the-art machinery with sophisticated tool-room equipment to manufacture its forgings. The Company also employs hi-tech design and analysis software to create dies and tooling that play a key role in the production of forgings. The manufacturing plant is integrated with complete facilities for testing, cutting, die making, forging, heat-treatment and finishing. Recently, The Company improved its machining capacity and capabilities by adding new Computer Numerical Control (CNC) Machines and Vertical Machining Centers (VMC).

The Company uses an in-house laboratory, process control, continuous improvement principles, and an online integrated system to closely monitor the quality of its operations. These quality assurance systems have been approved by Global Original Equipment Manufacturers (OEMs) including nuclear grade and high-pressure equipment OEMs in Germany, USA and Canada. The Company is certified to ISO 9001:2008 for sixteen consecutive years and TÜV Pressure Equipment Directive 97/23/EC (PED) standards.

The Company currently serves 5 major industry verticals: instrumentation, oil & gas, petro-chemical, automotive and general engineering. Customers are located in India, USA, UK, Singapore, Sweden, Denmark, France, Germany, Mexico, Argentina and Turkey.

Performance:

The Company's increase in sales can be attributed to three major reasons: First, the global economy within the instrumentation manufacturing, oil & gas, and general engineering industries improved during the current year. Second, the Company realized increased demand for products in its Domestic, Western Europe, and North American customer base. Third, the Company grew its customer base resulting in a further increase in turnover and profitability.

The Company managed to control its manufacturing costs despite increase in fuel, oil, labor, electricity prices and interest rates. Responding to a rising trend in demand for finished machined components, the Company invested in additional equipment and capacity for manufacturing finished products for its customers. In spite of these factors, the Company's turnover has increased by 34.23% and EBITDA by 20.08% during the year.

Current Business Environment:

The overall business environment for the Company is stable in the European and North American markets. The Company has also observed increasing demand from new customers in the Domestic and South American markets. The Company intends to exploit these markets while continuing to serve its current customer base.

Last year, the US government abolished its anti-dumping duties on stainless steel flanges. The Company took advantage of this change and commenced exports of stainless steel flanges to North America and intends to increase the share of this market. In addition, the Company entered into an Agreement for sale of gear blanks to a large European customer, potentially leading to a large upside in turnover and profitability.

The rising prices of energy, steel and labour compounded with high inflation in the country have put a competitive pressure on pricing and may result in lower profitability. There is also rising concern about the Company's foreign financial borrowing due to high fluctuation in currencies. Last year, The Government of India substantially reduced export benefits that may pose a threat to margins in the following years.

Future Outlook:

The Company will continue to focus its efforts to increase revenues by developing new products for its existing customers and by expanding its customer base around the Globe.

The Company has planned a capital expenditure of about Rs. 15 crores over the next two years for changes in the existing plant layout to improve the productivity of workers, utilization of machinery, and flow of material. It has also decided to strengthen its Research & Development Department to develop energy efficient systems, improved die designs, improved yield, reduction in use of consumables and better machining techniques.

The Company plans to set up a new manufacturing facility in Gujarat for producing flanges and similar components, which are expected to consistently rise in demand. This will release capacity at the existing plant to manufacture new intricate profile products for the existing and new customers, particularly in the valves, manifolds and oil & gas industry products.

Cautionary Statement:

Details provided hereinabove relating to various activities and future plans may be “forward-looking statements” within the realm of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied. The Company may need to change plans or other projections due to changes in Government policies, tax laws and other incidental factors.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Shareholders of Pradeep Metals Limited

We have examined the compliance of conditions of Corporate Governance by Pradeep Metals Limited, for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars of the Company to the Investors' Grievance Committee, as on 31st March, 2012, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S.R.REGE & CO.
Chartered Accountants

Mumbai
30th July, 2012

S. M. PATKI
Partner
Membership No. 037690

CEO / CFO CERTIFICATION

We, Pradeep Goyal, Chairman and Managing Director and Dilip Dalvi, Manager (Accounts), responsible for the finance function, certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best our knowledge and belief:
   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee
   i) significant changes in internal control during the year
   ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Navi Mumbai
30th July, 2012

Dilip Dalvi
Manager - Accounts/CFO

Pradeep Goyal
Chairman & Managing Director/CEO

AUDITORS' REPORT

TO
THE SHAREHOLDERS OF PRADEEP METALS LTD.

1 We have audited the attached balance sheet of Pradeep Metals Ltd., as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow statement for the year ended on 31st March,2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in term of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

4 Further to our comments in the Annexure referred to above, we report that :

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.

iii. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

iv In our opinion, the Balance Sheet, the Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

v On the basis of written representations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

ii) in the case of the Statement of Profit and Loss , the Profit for the year ended on 31st March, 2012 ; and

iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on 31st March, 2012.

FOR S.R.REGE & CO.
CHARTERED ACCOUNTANTS
(Reg. No. 108813W)

S. M. PATKI
PARTNER
Membership No. 037690

Mumbai
30th July, 2012

Annexure referred to in paragraph 3 of our report of even date,

Fixed Assets

1 a The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b All assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

Inventories

2 a The inventory has been physically verified during the period under the audit by the management. In our opinion, the frequency of verification is reasonable.

b The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the company.

Loans granted or taken

3 a. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956 Consequently, clauses (iii) (a) to (iii)(d) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order , 2004 are not applicable.

b. i) The Company has taken an unsecured loan from party covered in the register maintained under section 301 of the Companies Act, 1956.
No. of Parties: 1.
Amount Outstanding as on 31st March, 2012 : Rs. Nil

ii) In our opinion, the rate of interest and other terms and conditions of the loan taken by the Company are not prima facie prejudicial to the interest of the Company.

iii) During the year ended on 31st March, 2012 , the Company has paid interest to the party and has repaid the entire amount of Loan.

Internal Control

4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

Contracts and Agreements

5 a To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that needed to be entered into the register maintained under Sec. 301 of the Companies Act, 1956, have been so entered.

b In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts or agreements entered in the register maintained under Sec. 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard of the prevailing market prices at the relevant time, except that reasonableness could not be ascertained where comparable quotations are not available having regard to the specialized nature of some of the transactions of the Company.

Public deposits

6 The Company has not accepted any deposits from the public.

Internal Audit

7 In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

Cost records

8 According to the information and explanations given to us, **the Company is in the process of making arrangements for maintenance of Cost records under Companies (Cost Audit report) Rules, 2011 as prescribed under section 209(1) (d) of the Companies Act, 1956**.

Statutory dues

9 a The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom-duty, excise-duty, cess and other material statutory dues applicable to it.

b According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable.

c According to the information and explanations given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

Accumulated losses

10 a Since the Company has no accumulated losses, the clause 4(x) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order , 2004 is not applicable.

b The Company has not incurred any cash losses during the year covered by our audit and the immediately preceding financial year.

Default in repayments of dues

11 According to the records of the Company examined by us and the information and explanations given to us, during the period covered by our audit, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

Loans and dealing in shares etc.

12 To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13 In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a *nidhi* or mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.

14 To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures or any other securities. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.

15 To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

Borrowings, funds raised and their utilization

16 In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company have, *prima facie*, been applied for the purpose for which they were raised.

17 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short–term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

18 According to the information and explanations given to us, during the period covered by our audit report, the Company has made preferential allotment of equity warrants to parties and companies covered in the register maintained under Section 301 of the Act. In our opinion, the price at which equity warrants have been issued is not prejudicial to the interest of the Company.

19 To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any debenture issue during the period under audit. Therefore, provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.

20 To the best of our knowledge and belief and according to the information and explanations given to us, during the period under audit the Company has not raised any money by way of public issue.

Frauds

21 During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instances of fraud by the Company, noticed or reported during the period under audit , nor have we been informed of any such case by the management.

FOR S. R. REGE & CO.
CHARTERED ACCOUNTANTS
(Reg. No. 108813W)

S. M. PATKI
PARTNER
Membership No. 037690

Mumbai
30th July, 2012

BALANCE SHEET AS AT 31st MARCH, 2012

(Rs. in lacs)

	Note No.	As at 31st March, 2012 (Audited)	As at 31st March, 2011 (Audited)
EQUITY AND LIABILITIES			
1) **Shareholders' Funds**			
a) Share Capital	2.1	1,641.26	1,791.06
b) Reserve and Surplus	2.2	962.78	410.43
c) Equity Warrants	2.1.3	43.75	57.00
		2,647.79	**2,258.49**
2) **Share Application Money Pending Allotment**		-	-
3) **Non-current liabilities**			
a) Long-Term Borrowings	2.3	419.17	79.23
b) Deferred Tax Liabilities (Net)	2.4	284.98	279.88
c) Other Long Term Liabilities	2.5	12.91	13.24
d) Long-Term Provisions	2.6	15.93	27.74
		732.99	**400.09**
4) **Current liabilities**			
a) Short-Term Borrowings	2.7	4,277.63	3,366.22
b) Trade Payables		1,883.01	935.66
c) Other Current Liabilities	2.8	253.14	177.82
d) Short-Term Provisions	2.9	322.59	377.38
		6,736.37	**4,857.08**
TOTAL		**10,117.15**	**7,515.66**
ASSETS			
1) **Non-Current Assets**			
a) Fixed Assets	2.10		
i) Tangible Assets		2,002.77	1,838.41
ii) Capital Work-in-Progress		8.98	0.05
		2,011.75	**1,838.46**
b) Non-Current Investments	2.11	1.00	1.00
c) Long-Term Loans and Advances	2.12	542.50	313.62
d) Other Non-Current Assets	2.13	61.77	120.65
		2,617.02	**2,273.73**
2) **Current Assets**			
a) Inventories	2.14	3,763.15	2,703.20
b) Trade Receivables	2.15	2,974.17	2,099.51
c) Cash and Bank Balances	2.16	22.49	11.31
d) Short-Term Loans and Advances	2.17	740.32	427.91
		7,500.13	**5,241.93**
TOTAL		**10,117.15**	**7,515.66**
Significant Accounting Policies and Notes	1		

Notes referred to above form an integral part of the Balance Sheet

As per our report of even date
For S.R.REGE & CO.
CHARTERED ACCOUNTANTS
(ICAI Regn.No 108813W)

S.M.PATKI
PARTNER
Membership No - 037690

Navi Mumbai
30th July, 2012

for and on behalf of the Board

PRADEEP GOYAL Chairman & Managing Director

NEERU GOYAL Director

ABHINAY KAPOOR Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Rs. in lacs)

		Note No	As at 31st March, 2012 (Audited)	As at 31st March, 2011 (Audited)
I)	**REVENUE**			
a)	Revenue from Operations (Gross)	3.1.1	10,163.38	7,573.32
	Less: Excise Duty		541.98	446.85
	Revenue from Operations (Net)		**9,621.40**	**7,126.47**
b)	Other Operating Revenue	3.1.2	1,570.24	1,149.96
II)	Other Income	3.2	63.79	65.07
III)	**Total Revenue (I + II)**		**11,255.43**	**8,341.50**
IV)	**EXPENSES**			
	Cost of Materials Consumed	3.3	6,656.41	4,157.00
	Purchases Of Stock-In-Trade	3.4	0.06	139.98
	Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(544.45)	7.12
	Employee Benefits Expense	3.6	1,018.20	867.97
	Finance Costs	3.7	440.30	341.58
	Depreciation And Amortization Expense	2.10.1	181.44	166.60
	Other Expenses	3.8	2,767.78	2,037.36
	Total Expenses		**10,519.74**	**7,717.61**
V)	**Profit Before Exceptional And Extraordinary Items And Tax (III - IV)**		735.69	623.89
VI)	Exceptional Items		-	-
VII)	**Profit Before Extraordinary Items And Tax (V - VI)**		**735.69**	**623.89**
VIII)	Extraordinary Items		-	-
IX)	**Profit Before Tax (VII - VIII)**		**735.69**	**623.89**
X)	**Tax Expense**			
	Current Tax		227.81	124.40
	Less MAT Credit Adjustment (Refer Note)	1.2.9	(80.31)	(263.45)
	Deferred Tax		5.10	540.79
			152.60	**401.74**
XI)	**Profit (Loss) For The Period from continuing operation**		**583.09**	**222.15**
XII)	**Earnings Per Equity Share**			
	Basic	3.9	3.68	1.27
	Diluted		3.51	1.15
	Significant Accounting Policies and Notes	1		

Notes referred to above form an integral part of the Statement of Profit and Loss Account

As per our report of even date	for and on behalf of the Board	
For S.R.REGE & CO.	**PRADEEP GOYAL**	Chairman & Managing Director
CHARTERED ACCOUNTANTS		
(ICAI Regn.No 108813W)	**NEERU GOYAL**	Director
S.M.PATKI	**ABHINAY KAPOOR**	Company Secretary
PARTNER		
Membership No - 037690		

Navi Mumbai
30th July, 2012

NOTE NO - 1: NOTES FORMING PART OF THE ACCOUNTS

1.1) Significant Accounting Policies:

(1.1.1) Basis for preparation of Accounts.

a. The accounts have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(1.1.2) System of Accounting

The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis, except income from investments, which is accounted for on receipt basis.

(1.1.3) Use of Estimates

The preparation of Financial Statements are in accordance with generally accepted accounting principles. As per the Management, the best estimates and assumptions are made, wherever necessary, and reported in the amount of assets and liabilities as on the date of financial statement as well as in the amount of revenue and expenses during the reporting period.

The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any variance is recognized prospectively in current or future period in which the results are known/materialized.

(1.1.4) Fixed Assets and Depreciation

Fixed Assets are stated at cost less depreciation. Depreciation on assets has been provided for on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956, on continuous process plant basis.

Depreciation on additions to assets is calculated on pro-rata basis from the day of asset put to use.

(1.1.5) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

(1.1.6) Inventories

a. Raw material is valued at cost. The cost is arrived at on First-in-First-out basis.

b. Components, stores and spares are valued at cost.

c. Dies and tools are valued at cost, including the cost of design, development and proportionate cost of factory overheads taken at 15% of Raw Material cost of dies.

d. Work-in-process and semi-finished goods are valued at lower of cost or estimated net realizable value.

(1.1.7) Investment

Investments are stated at Cost.

(1.1.8) Sales

Sales are inclusive of excise duty. The revenue from sale of goods are recognised when title to goods is transferred on delivery of goods.

(1.1.9) Foreign Currency transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of the Balance Sheet. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognized as income or expense, as the case may be.

(1.1.10) Provisions, Contingent Liabilities and Contingent Assets Provisions, to the extent found necessary as per the Management, have been made based on best estimates and are also recognized in respect of present liability in respect of the prior activity. Contingent Assets have not been recognized and hence, not reported.

(1.1.11) Employee Benefits

Contributions payable to the Government Provident Fund, ESIC and premium paid to Life Insurance Corporation of India under Employees Group Gratuity Scheme, are charged to revenue. The liabilities in respect of leave encashment at the year end is charged to revenue based on actuarial value.

(1.1.12) Impairment

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) which deals with "Impairment of Assets", notified under the Company's (Accounting Standards)Rules,2006.

During the period, no such loss was observed and hence, no provision for impairment loss has been made.

(1.1.13) The Company manufactures "Forgings" of various types at one location only.Hence, Accounting Standard 17 regarding Segment Reporting notified under the Company's (Accounting Standards) Rules, 2006, is not applicable to the Company.

(1.1.14) Preliminary expenses are being amortized in the year in which the same has been incurred.

1.2) Notes on Accounts

	31st March 2012 (Rs.)	31st March,2011 (Rs.)
(1.2.1) Contingent Liabilities not provided for		
a. Letter of Guarantee issued by Union Bank of India		
(secured by 100 % margin)	101,208	114,510
(secured by 10 % margin)	866,862	810,000
b. Capital Commitment for purchase of Machinery	22,867,775	2,506,000
(1.2.2) Value of import calculated on CIF basis :		
Raw Material and Consumable goods	1,569,252	915,864
Capital goods	24,485,176	28,708,699
(1.2.3) Expenditure in foreign currency – Travelling	1,004,410	969,885
(1.2.4) Earning in foreign currency :		
FOB value of Exports	666,563,588	383,644,815

(1.2.5) Bank Borrowings for Working Capital and Sundry Debtors include export bills aggregating to Rs.1070.59 Lacs (Rs. 719.69 Lacs as on 31st March, 2011) purchased / discounted by the Bank but pending realization as on the date of the Balance Sheet.

(1.2.6) The year end net monetary foreign currency exposures that have not been hedged, are given below.

Receivables

Sr, No	Particulars	Foreign Currency In Lacs 31st March,2012	Amount (Rs. in Lacs) 31stMarch,2012	Foreign Currency In Lacs 31st March,2011	Amount (Rs. in Lacs) 31stMarch,2011
1	USD	05.72	284.47	03.73	159.96
2	EURO	00.36	23.08	00.89	53.49
3	GBP	00.01	01.43	00.02	01.80

Payables

Sr, No	Particulars	Foreign Currency In Lacs 31st March,2012	Amount (Rs. in Lacs) 31stMarch,2012	Foreign Currency In Lacs 31st March,2011	Amount (Rs. in Lacs) 31stMarch,2011
1	USD	03.08	156.87	00.00	00.00

(1.2.7) Related Party Disclosures { as identified and certified by the Management}
As per Accounting Standard 18 notified under the Company's (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties are given below:
(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	31.03.2012 (Rs.)	31.03.2011 (Rs.)
1.	S. V. Shah Construction Services Pvt. Ltd.	Enterprise in which a Key Managerial Personnel and his relatives are Directors.	Inter Corporate Deposit taken during the period Balance at the year end. Interest@ 13.50% p.a. on Inter Corporate Deposit	14,400,000 - 818,819	- - -
2.	Rabale Engineering (I) Pvt. Ltd.	Enterprise in which a relative of the Key Managerial Personnel is a Director	Interest @ 11% p.a. on Inter Corporate Deposit	161,323	1,111,000
3.	Dhanlabh Engineering Works Pvt. Ltd.	Enterprise in which a relative of the Key Managerial Personnel is a Director	Labour Charges	410,354	-

(1.2.8) Sundry Debtors includes Rs. Nil (Previous Year Rs. 54.45 lacs) due from (M/s B.S.Metal Private Ltd., a company in which Key Managerial Personnel is a Director.)

(1.2.9) The credit for Minimum alternative Tax of Rs.263.45 lacs has been recognized for the first time in financial year 2010-2011 in view of visibility of profitability, and the Company is covered under the provisions of Minimum Alternative Tax (MAT) and appropriate adjustments has been made the books as per the provisions of Section 115JAA of the Income Tax Act, 1961,during the year.

(1.2.10) The dues outstanding to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act 2006, are based on the Information available with the company and this has been relied upon by the auditors and hence the disclosures as required under the said Act have not been given.

(1.2.11) The Company has duly complied with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956.

(1.2.12) Additional Information pursuant to the provisions of part II of Schedule VI to the Companies Act, 1956 are Annexed separately.

(1.2.13) The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosures & presentations made in the financial statements. Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classifications/disclosures.

As per our report of even date
For S.R.REGE & CO.
CHARTERED ACCOUNTANTS
(ICAI Regn.No 108813W)

S.M.PATKI
PARTNER
Membership No - 037690

Navi Mumbai
30th July, 2012

for and on behalf of the Board

PRADEEP GOYAL Chairman & Managing Director

NEERU GOYAL Director

ABHINAY KAPOOR Company Secretary

2. NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2012	(Rs. in lacs) As at 31st March, 2011
2.1 SHARE CAPITAL		
2.1.1 Authorised		
18,500,000 (14,500,000) Equity Shares of Rs.10 each	1,850.00	1,450.00
550,000 (550,000) Preference Shares of Rs.100 each	550.00	550.00
	2,400.00	**2,000.00**
2.1.2 Issued, Subscribed and Fully Paid		
16,420,000 (12,720,000) Equity Shares of Rs.10 each fully paid up	1,642.00	1,272.00
Less : Calls in Arrears	0.74	0.74
	1,641.26	**1,271.26**
NIL (519,800) 10% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100 each. (Redeemable in 2 equal yearly instalments of Rs.25,990,000 each on 31st March, 2013 and 31st March, 2014. However, these are redeemed on 31st July, 2011 after obtaining necessary consent from the Members at the Annual General Meeting on 4th July, 2011.)	-	519.80
TOTAL	**1,641.26**	**1,791.06**
2.1.3 Equity Warrants -Rabale Engineering India P.Ltd.		
4,00,000 (1200000) Equity Warrants of Rs 10/- each at a premium of Rs.9/-each.	19.00	57.00
4,50,000 (Nil) Equity Warrants of Rs 10/- each at a premium of Rs.12/-each.	24.75	**0.00**
	43.75	**57.00**

2.1.4 The list of Shareholders holding more than 5 % shares in the Company is given below :-

Name of the Shareholders	**2011-2012**		**2010-2011**	
	Number of Shares	**% of Holding**	**Number of Shares**	**% of Holding**
S. V. Shah Construction Services P.Ltd	2,778,561.00	16.92	2,778,561.00	16.92
Flashnet Info Solutions (India) Ltd.	1,026,500.00	6.25	1,026,500.00	6.25
Pradeep Goyal	875,900.00	5.33	-	-

2.1.5 The Reconciliation of the number of equity shares outstanding:-

Equity shares with voting rights	**As at March, 2012**		**As at March, 2011**	
	Number	(Rs. in lacs)	**Number**	(Rs. in lacs)
Shares outstanding as at the beginning of the year	12,720,000	1,271.26	12,720,000	1,271.26
Add :Issued during the year	3,700,000	370.00	-	-
Shares outstanding as at the end of the year	16,420,000	1,641.26	12,720,000	1,271.26

2.2 RESERVES AND SURPLUS

Reserves and Surplus as at 31st March, 2012:

	Securities Premium Account	General Reserve	Surplus as per Statement of Profit and Loss Account	Total
Opening Balance As per last Balance Sheet	265.88	68.60	75.95	410.43
Net Profit/(Loss) for the period			583.09	583.09
Add : Received during the period	420.00	-	-	420.00
Add : Transferred form statement of Profit and Loss		120.00		120.00
Less : Premium paid on Redemption of OCCRPS	259.90	-	-	259.90
Less : Surplus transferred to General Reserve			120.00	120.00
Less : Proposed Dividend on Equity Shares for the year				-
(including dividend distribution Tax Rs-26.63 lacs)			190.84	190.84
Closing Balance	**425.98**	**188.60**	**348.20**	**962.78**

Reserves and Surplus as at 31st March, 2011:

	Securities Premium Account	General Reserve	Surplus as per Statement of Profit and Loss	Total
Opening Balance As per last Balance Sheet	266.25	68.60	152.41	487.26
Net Profit/(Loss) for the period			222.15	222.15
Less : Calls in Arrears	-0.37		(0.37)	
Less : Dividend on OCCRP Shares for the years			150.38	150.38
1999-2000, 2000-2001 and 2001-2002				-
(including dividend distribution Tax Rs-21.42 lacs)				-
Less : Proposed Dividend on Equity Shares for the year				-
(including dividend distribution Tax Rs-21.11 lacs)			148.24	148.24
Closing Balance	**265.88**	**68.60**	**75.95**	**410.43**

(Rs. in lacs)

	As at 31st March, 2012	As at 31st March, 2011
NON -CURRENT LIABILITIES		
2.3 LONG-TERM BORROWINGS		
From Union Bank of India		
Term Loan IV (Secured by first pari passu Charge on the fixed assets of the Company, present and future and second charge on Current Assets.):	22.97	49.24
Term Loan IV (Repayable in 15 Quarterly Installment of Rs.6.37 lacs each and 16th Installment or Rs.6.45 lacs starting from April 2010 at the rate of interest 15% p.a.) The total outstanding as on 31st March, 2012 Rs.48.45 lacs. (Previous Year Rs.68.35 lacs.)		
Term Loan V (Secured by first pari passu Charge on the fixed assets of the Company, present and future and second charge on Current Assets.):	125.40	4.99
Term Loan V (Repayable in 45 Monthly installments of Rs.10.00 lacs each starting from July 2011 at the rate of interest 15% p.a.) The total outstanding as on 31st March, 2012 Rs. 245.40 lacs. (Previous Year Rs.94.99 lacs.)		
Term Loan VI (Secured by first pari passu Charge on the fixed assets of the Company, present and future and second charge on Current Assets.):	68.75	-
Term Loan VI (Repayable in 15 Quarterly Installment of Rs.15.00 lacs each starting from July 2012 at the rate ofinterest 15% p.a.). The total outstanding as on 31st March, 2012 Rs. 113.75 lacs. (Previous Year Nil)		
All the above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company.		
Loan from Axis Bank Ltd. (Secured by hypothecation of the vehicle : Terms of Repayment :	2.05	-
starting from October 2011 in 35 monthly installments for Rs.0.15 lacs. The total outstanding as on 31st March, 2012 Rs. 3.91 lacs (Previous year Nil)		
Installments due on above within one year Rs. 192.34 lacs, Previous year Rs. 157.24 lacs		
Unsecured		
Inter Corporate Deposits	200.00	25.00
	419.17	**79.23**
2.4 DEFERRED TAX ASSETS AND LIABILITIES		
Deferred Tax Assets:		
Other Timing Difference	28.89	19.60
Unabsorbed Depreciation Carried Forward	-	21.05
	28.89	**40.64**
Deferred Tax Liability:		
Arising out of timing Difference On Account of Book and Tax Depreciation for the current year	(313.87)	(320.52)
Net Deferred Tax Liability	**(284.98)**	**(279.88)**

	As at 31st March, 2012	(Rs. in lacs) As at 31st March, 2011
2.5 OTHER LONG TERM LIABILITIES		
Trade payable	12.07	12.07
Other Liabilities (Advances from Debtors)	0.84	1.17
	12.91	**13.24**
2.6 LONG-TERM PROVISIONS		
Provision for Employee Benefits	15.93	27.74
	15.93	**27.74**
CURRENT LIABILITIES		
2.7 SHORT-TERM BORROWINGS		
Working Capital Loan from Union Bank of India Secured by hypothecation of inventories, book debts, including bills discounted/purchased, and other current assets and second charge on the fixed assets	4,252.63	3,165.22
(The above loan is also secured by personal guarantee of the Chairman and Managing Director of the Company)		
Unsecured		
Inter Corporate Deposits	25.00	201.00
	4,277.63	**3,366.22**
2.8 OTHER CURRENT LIABILITIES		
Unpaid dividends	7.01	-
Trade Paybales - Capital Goods	0.55	0.50
Outstanding Liabilities for Expenses	53.24	20.08
Current maturities of long term loans:- From Union Bank of India		
Term Loan II (Secured by first pari passu Charge on the fixed assets of the Company, present and future and second charge on Current Assets.):	-	38.02
Term Loan III (Secured by hypothecation of the vehicle)	-	10.11
Term Loan IV (Secured by first pari passu Charge on the fixed assets of the Company, present and future and second charge on Current Assets.):	25.48	19.11
Term Loan IV (Repayable in 15 Quarterly Installment of Rs.6.37 lacs each and 16th Installment or Rs.6.45 lacs starting from April 2010 at the rate of interest 15% p.a.) The total outstanding as on 31st March, 2012 Rs.48.45 lacs. (Previous Year Rs.68.35 lacs.)		
Term Loan V (Secured by first pari passu Charge on the fixed assets of the Company, present and future and second charge on Current Assets.):	120.00	90.00
Term Loan V (Repayable in 45 Monthly installments of Rs.10.00 lacs each starting from July 2011 at the rate of interest 15% p.a.)The total outstanding as on 31st March, 2012 Rs. 245.40 lacs. (Previous Year Rs.94.99 lacs.)		

		(Rs. in lacs)
	As at 31st March, 2012	As at 31st March, 2011
Term Loan VI (Secured by first pari passu Charge on the fixed assets of the Company, present and future and second charge on Current Assets.):	45.00	-
Term Loan VI (Repayable in 15 Quarterly Installment of Rs.15.00 lacs each starting from July 2012 at the rate ofinterest 15% p.a.). The total outstanding as on 31st March, 2012 Rs. 113.75 lacs. (Previous Year Nil)		
All the above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company.		
Loan from Axis Bank Ltd (Secured by hypothecation of the vehicle : Terms of Repayment : starting from October 2011 in 35 monthly installments for Rs.0.15 lacs. The total outstanding as on 31st March, 2012 Rs. 3.91 lacs (Previous year Nil)	1.86	-
Installments due on above within one year Rs. 192.34 lacs, Previous year Rs. 157.24 lacs	**253.14**	**177.82**

2.9	**SHORT-TERM PROVISIONS**		
	Provision for Employee Benefits	131.75	78.76
	Proposed Dividend and Dividend distribution tax there on	190.84	298.62
		322.59	**377.38**
2.10	**FIXED ASSETS**		
2.10.1	Depreciation and amortisation for the year	181.45	166.60
	Less: Capitalised as pre-operative expenses	-	-
	Less: Additional depreciation on revalued assets withdrawn from capital reserve	-	-
	Depreciation and amortisation for the year charged to Statement of Profit and Loss	**181.45**	**166.60**

		Face value	Total No. of Shares	As at 31st March, 2012	As at 31st March, 2011
2.11	**NON-CURRENT INVESTMENTS**				
	Unquoted Investments				
	Janakalyan Sahakari Bank Ltd.	10	10	0.00	0.00
	Dombivli Nagari Sahakari Bank Ltd.	50	1,000	0.50	0.50
	The Thane Janata Sahakari Bank Ltd.	50	1,000	0.50	0.50
				1.00	**1.00**
				1.00	**1.00**
2.11.1	Aggregate Cost of :				
	Quoted Investments			-	-
	Unquoted Investments			1.00	1.00
				1.00	**1.00**

NON-CURRENT ASSETS			
2.12	**LONG-TERM LOANS AND ADVANCES**		
	(Unsecured, Considered Good unless otherwise stated)		
	Capital Advances	324.97	17.88
	Deposits and Balances with Government and other Authorities	30.32	29.42
	MAT Credit Entitlement	183.14	263.45
	Other Deposits	4.07	2.87
		542.50	**313.62**

(Rs. in lacs)

		As at 31st March, 2012	As at 31st March, 2011
2.13	**OTHER NON-CURRENT ASSETS**		
	Long term Trade Receivables	61.77	120.65
	2.13.1 Loan Term trade receivables includes receivable from a Private Company in which Director is a Director.	-	54.45
	CURRENT ASSETS		
2.14	**INVENTORIES**		
	Raw Materials	876.29	549.01
	Work-in-progress (Note 4.1)	1497.35	997.77
	Consumable stores and spares and Fuel	251.59	169.86
	Dies	1,081.82	975.33
	Scrap	56.10	11.23
		3,763.15	**2,703.20**
	2.14.1 Work in progress		
	Forgings	1,497.35	997.77
	Others	-	-
		1,497.35	**997.77**
2.15	**TRADE RECEIVABLES**		
	(Unsecured, Considered Good unless otherwise stated)		
	Outstanding for a period exceeding six months from the date they are due for payment.	67.27	40.49
	Others	2,906.90	2,059.02
		2,974.17	**2,099.51**
2.16	**CASH AND BANK BALANCES**		
	Cash and Cash Equivalents		
	Balances with Scheduled banks :		
	In Current Accounts	11.81	0.56
	In Fixed Deposits (pledged with Government Authorities and Banks)	9.68	9.79
	Cash in Hand	1.00	0.96
		22.49	**11.31**
	2.16.1 Lodged as security with Government Department	-	-
	2.16.2 Interest accrued	-	-
2.17	**SHORT-TERM LOANS AND ADVANCES**		
	Unsecured (Considered Good unless otherwise stated)		
	Loans and Advances	644.40	408.82
	(Export benefits,Balance with Excise and Sales Tax Depts)		
	Advance Income Tax F.Y.(2009-10) Net of Provision for Tax	4.16	3.68
	Advance Income Tax F.Y. (2010-11) Net of Provision for Tax	15.41	15.41
	Advance Income Tax F.Y.(2011-12) Net of Provision for Tax	76.35	-
		740.32	**427.91**

PRADEEP METALS LIMITED

2. NOTES FORMING PART OF BALANCE SHEET

2.10 FIXED ASSETS

(Rs. in lacs)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As At 01.04.2011	Additions	Deductions	**As at 31.03.2012**	As at 01.04.2011	For the year	On Sales	**As at 31.03.2012**	**As at 31.03.2012**	**As at 31.03.2011**
TANGIBLE ASSETS										
Leasehold Land	55.81	-	-	55.81	-		-	-	**55.81**	55.81
Factory Buildings	326.69	-	-	326.69	146.25	10.91	-	157.16	**169.53**	180.44
Plant and Machinery	3149.55	357.99	56.48	3,451.06	1,606.08	162.79	38.08	1,730.79	**1,720.27**	1,543.47
Furniture and Fixtures	31.90	2.21		34.11	19.99	1.15	-	21.14	**12.97**	11.91
Vehicles	72.88	6.07	9.90	69.05	26.10	6.60	7.84	24.86	**44.19**	46.78
Total Tangible Assets	3636.83	366.27	66.38	3,936.72	1,798.42	181.45	45.92	**1,933.95**	**2,002.77**	**1,838.41**
Previous Year	3202.81	437.21	3.19	3,636.83	1,633.35	166.60	1.53	1,798.42	1,838.41	1,569.46
INTANGIBLE ASSETS	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-
Total Fixed Assets	**3,636.83**	**366.27**	**66.38**	**3,936.72**	**1,798.42**	**181.45**	**45.92**	**1,933.95**	**2,002.77**	**1,838.41**
Capital work-in-progress (including Pre-operative Expenses)									**8.98**	**0.04**
Intangible Assets Under Development									-	-
									2,011.75	**1,838.45**

3. NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(Rs. in lacs)

	As at 31st March, 2012	As at 31st March, 2011
3.1 REVENUES		
3.1.1 OPERATING REVENUES		
Sale of Products	10,034.62	7,372.14
Job work/ Tooling Charges	128.76	201.18
	10,163.38	**7,573.32**
3.1.2 OTHER OPERATING REVENUES		
Export Incentives	223.23	174.12
Scrap Sales	1,327.69	970.09
Miscellaneous Receipts - Operating	19.32	5.75
	1,570.24	**1,149.96**
3.2 OTHER INCOME		
Exchange Rate Difference (Net)	32.32	46.85
Interest on Bank and Other Accounts	1.10	0.84
Dividend (Gross) from Others	0.08	0.15
	33.50	**47.84**
Profit on Sale of Fixed Assets (Net)	2.36	-
Miscellaneous Receipts - Non Operating	27.93	17.23
	63.79	**65.07**
3.3 COST OF MATERIALS CONSUMED		
Opening Stock	549.01	519.04
Add : Purchases And Incidental Expenses	6,983.69	4,186.97
Less : Closing Stock	876.29	549.01
	6,656.41	**4,157.00**
3.4 PURCHASES OF STOCK-IN-TRADE		
Others /Steel	0.06	139.98
	0.06	**139.98**
3.5 INCREASE / DECREASE IN STOCKS		
Opening Stock As on 1st April, 2011		
a. Process Stock/Finish Goods	997.77	1,008.73
b. Scrap	11.23	7.39
	1,009.00	**1,016.12**
Less : Closing Stock As on 31st March ,2012		
a. Process Stock/Finish Goods	1,497.35	997.77
b. Scrap	56.10	11.23
	1,553.45	**1,009.00**
	(544.45)	**7.12**

	As at 31st March, 2012	(Rs. in lacs) As at 31st March, 2011
3.6 EMPLOYEE BENEFITS EXPENSES		
Salaries	136.01	91.38
Wages	790.86	692.74
Contribution To Provident And Other Funds	55.72	52.37
Staff Welfare Expenses	35.61	31.48
	1,018.20	**867.97**
3.7 FINANCE COSTS		
Interest on Term Loans and Workinc Capital Facilities.	416.44	305.56
Interest on Inter Corporate Deposit	0.41	30.36
Other Interest	23.45	5.66
	440.30	**341.58**
3.8 OTHER EXPENSES		
(A) Consumable stores and spares	427.84	332.76
(B) Power, fuel and water	676.26	532.71
(C) Repairs To Factory Buildings	15.51	33.54
(D) Repairs To Machinery	28.29	29.34
(E) Insurance	11.86	9.34
(F) Rates and Taxes	4.22	2.01
(G) Die Consumed	263.84	208.09
(H) Miscellaneous Expenses (Refer note 3.8.1)	**1,339.96**	**889.57**
	2,767.78	**2,037.36**
3.8.1 Miscellaneous Expenses		
Payments to sub-contractors	492.35	315.19
Inward Freight,Octroi and Other expenses	232.79	174.86
Other administrative expenses	141.37	124.65
Selling expenses	242.84	145.80
Others	230.61	129.07
	1,339.96	**889.57**
3.8.2 Auditors' Remuneration (Including service tax) charged to Profit and Loss account		
Audit fees	2.76	2.21
Tax Audit fees	0.60	0.50
For Consultation on tax Matters	0.50	0.38
Other Matters	0.74	0.50
Reimbursement of expenses	0.17	0.09
	4.77	**3.68**

	As at 31st March, 2012	(Rs. in lacs) As at 31st March, 2011
3.9 Earnings Per Share:		
Net profit for the year from ordinary activities attributable to equity shareholders	583.09	222.15
Less: 10% Dividend on Optionally Convertible Cumulative Redeemable Preference Shares (Including Dividend Distribution Tax and surchargs	-	60.61
Thereon for the Year)	583.09	161.54
Weighted-average-number of potential equity shares on exercise of options Nos	15,853,880	12,720,000
Basic Earnings Per Share (Face Value of 10 each) - From ordinary activities	**3.68**	**1.27**
Diluted Earnings Per Shares (Face Value of 10 each) - From ordinary activities	3.48	1.15

4.1 Additional information details

4.1 Turnover and Stocks

	Products	Turnover 2011-2012	Turnover 2010-2011	Stock As on 31.3.2012	Stock As on 31.3.2011
1.	Steel Forging work	10034.55	7,229.66	1,497.35	997.77
2.	Steel Trading	0.07	142.48	-	-
		10,034.62	**7,372.14**	**1,497.35**	**997.77**

As per our report of even date
For S.R.REGE & CO.
CHARTERED ACCOUNTANTS
(ICAI Regn.No 108813W)

S.M.PATKI
PARTNER
Membership No - 037690

Navi Mumbai
30th July, 2012

for and on behalf of the Board

PRADEEP GOYAL	Chairman & Managing Director
NEERU GOYAL	Director
ABHINAY KAPOOR	Company Secretary

Cash Flow Statement for the year ended 31st March, 2012

		2011-2012 Current year	Rs in lacs 2010-2011 Previous Year
A)	**Cash Flow from Operating Activities**		
	Net profit before tax and exceptionary items	735.69	623.89
	Adjustment for		
	Income Tax Adjustment For Prior Years	-	0.01
	Depreciation	181.44	166.60
	Loss on sale of Assets	8.56	1.56
	Dividend Received	(0.08)	(0.15)
	Interest Expenses	440.30	341.58
	Misc. Expenditure W/ Off	-	0.74
	Operating profit beforeworking capital changes	**1,365.92**	**1,134.23**
	Adjustment for		
	Trade and Other Receivables	(1,344.92)	(1,161.70)
	Inventories	(1,059.95)	(147.07)
	Transfer From Capital Working Progress	(316.02)	(11.18)
	Trade Payable	877.24	469.93
	Profit On Sale Of Assets	(2.36)	-
	Cash generated From Operations	**(480.09)**	**284.21**
	Interestt Paid	(440.30)	(341.58)
	Cash flow Before Extraordnary Items	(920.39)	(57.37)
	Extraordinary Items		-
	Net Cash used in Operating Activities	**(920.39)**	**(57.37)**
B)	**Cash Flow From Investing Activities**		
	Purchase Of Fixed Assets	(366.27)	(437.21)
	Sale Of Fixed Assets	14.27	0.10
	Dividend Received	0.08	0.15
	Net Cash Flow From Investing Activities	**(351.93)**	**(436.96)**
C)	**Cash Flow from Financing Activities**		
	Proceeds From Issue Of Share Capital (Share Application Money)		(40.14)
	Proceeds From ISSUE Of Share Capital	370.00	
	Premium Received On Issue Of Share Capital	420.00	
	Redemption of OCCRP shares with premium	(779.70)	
	Proceeds From Advance Received Against Warrants	(13.25)	57.00
	Proceeds From Working Capital Borrowings	1,287.45	534.46
	Provision For Gratuity and Leave Encashment aAs Per As15	-	-
	Proceeds From Other Borrowings (Net)	(1.00)	(50.00)
	Net Cash Flow From Investing Activities	**1,283.50**	**501.32**
	Net Increase In Cash and Cash Equivalents Flow From Investing Activities	11.18	6.99
	Cash and Cash Equivalents As at 31/03/2011 (Opening Balance)	11.31	4.32
	Cash and Cash Equivalents As at 31/03/2012 (Closing Balance)	**22.49**	**11.31**

Notes :

1) The Cash Flow statement has been prepared and presented as per the requirements of Accounting Standdard (AS) 3" Cash Flow statement" notified under the company's (Accounting Standard) rules,2006
2) Figures in brackets indicate cash outflow
3) Previous year's figures have been regrouped, wherever necessary to conform to this year's classification

As per our report of even date	**for and on behalf of the Board**	
For S.R.REGE & CO.	**PRADEEP GOYAL**	Chairman & Managing Director
CHARTERED ACCOUNTANTS		
(ICAI Regn.No 108813W)	**NEERU GOYAL**	Director
S.M.PATKI	**ABHINAY KAPOOR**	Company Secretary
PARTNER		
Membership No - 037690		

Navi Mumbai
30th July, 2012

PRADEEP METALS LTD.
Regd. Office: R-205, MIDC, Rabale, Navi Mumbai 400 701

30th July, 2012

Dear Shareholder,

Ref: Green Initiative in the Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ("MCA") has taken a 'Green initiative in the Corporate Governance' by allowing paperless compliances by companies vide its Circular Nos. 17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011 inter alia stating that the service of documents by the companies to its members can be made through electronic mode.

The initiative taken by the MCA is a welcome step for the society at large, as this will reduce paper consumption to a great extent, ensure prompt receipt of communication and avoid loss of document in postal transit. Supporting the said move of MCA, we propose to send all future shareholders communications/documents like Notices of General Meetings, Annual Reports, Financial Results, etc. to the shareholder in electronic mode.

We are sure, that you will whole-heartedly support this initiative and cooperate with the Company to make it a success. We, therefore, request you to fill up the information slip below for registering your e-mail ID and send it to our Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. You can also send us an e-mail from your e-mail ID to investors@pradeepmetals.com for receiving aforesaid documents in electronic form and mentioning there in your Folio No. /DP ID/Client ID as the case may be.

Please note, as a valued shareholder, you are always entitled to request and receive, free of cost, a printed copy of the Annual Report of the Company and all other documents/communications entitled under the Companies Act, 1956.

Thanking you.

Yours faithfully,
For Pradeep Metals Ltd.

Sd/-
Abhinay Kapoor
Company Secretary

(TEAR HERE)

---------------------------------------TEAR HERE---------------------------------------

Link Intime India Pvt. Ltd.
Unit: Pradeep Metals Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West,
Mumbai 400 078.

Folio No. / DP ID & Client ID : ____________________

Name of 1st Registered Holder : ____________________

Name of Joint Holder(s) : ____________________

E-mail ID (to be registered) : ____________________

Date: ____________ Signature of First Holder: ____________________

Note: Shareholders are requested to keep the company informed as and when there is any change in the e-mail address. Unless the e-mail ID given above is changed by you by sending another communication in writing, the Company will continue to send the documents to you on the above mentioned E-mail ID.

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 29th ANNUAL GENERAL MEETING of the Company at R-205, MIDC, Rabale, Navi Mumbai 400 701 on 6th September, 2012 at 12.30 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.

- ------- ------- ------- - --- ----Tear here - ------- ------- -------------- ----

(TEAR HERE)

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 29th Annual General Meeting of the Company to be held on 6th September, 2012 at 12.30 p.m. and at any adjournment thereof.

Signed this .... day of 2012

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

No. of Shares held ....

Affix Revenue Stamp

(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.

CERTIFICATE

The Certification Body
of TÜV SÜD South Asia Private Limited

certifies that

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

has established
and applies a Quality Management System for

Manufacture & Supply of
Closed Die Raw Forgings, Machined Forgings, Flanges &
Fittings in Carbon, Alloy, Aluminum & Stainless Steel as
Per Applicable National, International & Customer Standards

An audit was performed, Report No.

Proof has been furnished that the requirements according to

ISO 9001 : 2008

are fulfilled. The certificate is Valid until 2014-03-26

Subject to successful completion of the Annual Audit before 2012-02-28

Certificate Registration No. 99 100 11526

Mumbai

Effective Date: 2011-04-01

ISO 9001:2008

CERTIFICATE

The Certification Body - 0036 - of
TÜV SÜD Industrie Service GmbH

certifies that

Pradeep Metals, Ltd.
R-205, T.T.C. Industrial Area, MIDC,
Rabale, Navi Mumbai – 400 701, India

has implemented, operates and maintains a

Quality Assurance System in accordance with the
Pressure Equipment Directive 97/23/EC (PED)
Annex I, Paragraph 4.3

as Material Manufacturer for the scope of

This certificate is valid through February 2013.

TÜV SÜD Industrie Service GmbH

PED 97/23/EC

CERTIFICATE

The company

Pradeep Metals, Ltd.
R-205, T.T.C. Industrial Area, MIDC,
Rabale, Navi Mumbai – 400 701, India

has been audited and approved as manufacturer according to

AD 2000-Merkblatt W 0

The company

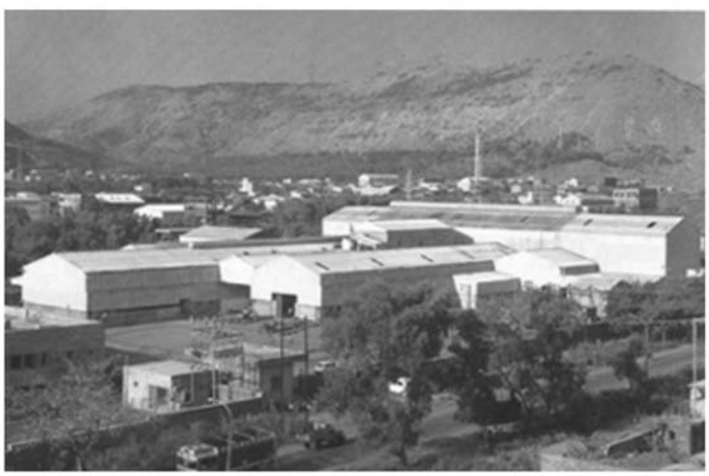
- has facilities permitting manufacturing and inspection in compliance with the current technical standards,
- operates a quality system which guarantees that manufacturing and inspection of the products stated in our report are in conformity with the technical rules and standards,
- employs qualified supervisory and inspection personnel.

The certificate expires in February 2013.

München, 2010-02-08

TÜV SÜD Industrie Service GmbH

AD 2000 Merkblatt W0



Rabale Manufacturing Facility

BOOK-POST

If undelivered, please return to :

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

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