

MINUTES OF THE 31ST ANNUAL GENERAL MEETING OF PRADEEP METALS LIMITED HELD ON THURSDAY, 4TH SEPTEMBER, 2014 AT 12.30 P.M. AT MONARCH BANQUETS, PLOT NO 110/111 MIDC, THANE BELAPUR ROAD, NEAR RABALE RAILWAY STATION, RABALE, NAVI MUMBAI, 400 701

The 31st Annual General Meeting of Pradeep Metals Limited was held on Thursday, 4th September, 2014 at 12.30 p.m. at Monarch Banquets, Plot No. 110/111 MIDC, Thane Belapur Road, Near Rabale Railway Station, Rabale, Navi Mumbai, 400 701.

DIRECTORS PRESENT

- | | |
|--------------------------|---|
| 1. Mr. Pradeep Goyal | : Chairman and Managing Director and Member |
| 2. Mrs. Neeru Goyal | : Director and Member |
| 3. Dr. Kewal K.Nohria | : Director and Member |
| 4. Mr. Raj Kumar Mittal | : Director |
| 5. Mr. Suresh G. Vaidya | : Director |
| 6. Mr. Omprakash Agrawal | : Director and Member |

MEMBERS PRESENT

Members present in person - 46

Members present in proxy - Nil

IN ATTENDANCE

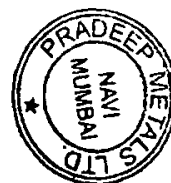
- | | |
|--------------------|--|
| Mr. Abhinay Kapoor | : Company Secretary |
| Ms. Shweta Gokarn | : Practicing Company Secretary |
| Mr. S. M. Patki | : Representing M/s. S.R. Rege & Co., Statutory Auditors of the Company |
| Mr. Atul Godbole | : Representing M/s. S.R. Rege & Co., Statutory Auditors of the Company |

CHAIRMAN

Mr. Pradeep Goyal, Chairman of the Company, ascertained the quorum. The necessary quorum being present, he started the proceeding of the meeting. The Chairman introduced the Directors present, Statutory Auditors, the Company Secretary and the Practicing Company Secretary to the Shareholders.

Mr. Pradeep Goyal, then informed that the Company has not received any proxy forms. He requested the Members to take the Notice convening the 31st Annual General Meeting (AGM), together with the explanatory statement as read.

The Chairman read his speech as under:



Dear Shareholders,

I am happy to present the performance report of your company for the fiscal year 2013-14.

The revenues of the company declined by about 9%. The decrease in turnover is attributed to a decrease in sales of commodity flanges particularly in the US market to existing customers. The business environment in India was also low due to negative sentiment of the industry and lack of new projects.

Despite the decreased sales I am happy to inform that the company increased its profit before tax by almost 17%. Though the employee cost and energy cost increased by 10% and 22%, your company took several steps to reduce costs and improve all round efficiency. Overhaul of major equipment with new energy efficient technologies, efficient use of raw materials and consumables were key factors in achieving this performance.

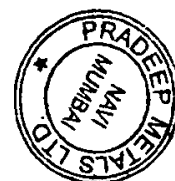
Your Company is almost debt free company with only working capital utilization of Rs. 45 crores. The Return on Equity (RoE) before deferred tax liability stood at (35%).

The management is confident of improving the performance in the current financial year.

India has been faced with a period of low growth rates in previous years at 4-5%. Inflation rates were 8-10%. With the new Government in place with a handsome majority, the Economists are bullish and predict GDP growth in the range of 6-7% in 2014-15 and higher in the following years. The signs are already visible with a first quarter GDP growth of 5.7%.

The global economic environment had also been uneven. Growth in the US improved mildly while that in the Euro zone remained subdued. Other emerging markets such as South America had also experienced lackluster growth over the last year due to low demand from advanced economies. However, there are encouraging signs from the US, which is very good for our company, as new projects have started in the wake of the shale gas and chemical industry growth.

Maintaining growth consistently in the long run presents certain challenges. Your 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. Based on the current business environment, the management predicts a reasonable growth in sales and profits in the upcoming financial year due to the on-going developments of existing customers.



We began changes to the existing plant layout to improve the productivity of workers, utilization of machinery and flow of inventory. By creating a multitude of small improvement projects within each department, management expects to see better cost controls and higher margins on sales.

As part of this on-going improvement process, I am pleased to announce we are half way through the office and building renovations started in November of last year. Work should be complete by the end of the current financial year.

Your Company's products have received awards from several customers, especially on the grounds of design, technology, quality and dependability. All visitors to our modern manufacturing facilities have expressed their desire to work with us.

Your Company's export sales account for 70% of Operating Revenues and continue to remain dominant. This has been achieved mainly due to high end value added machined products and greater customer satisfaction. Your Company is confident to deliver consistent growth in exports in the coming years.

Your company's focus on maintaining high level of quality consciousness is evident from its continued certification as an ISO 9001-2008 company. We are in the process of obtaining an integrated management system certification, which will include sustainable practices as part of the Company's thrust towards becoming a green organization. This year we are going to launch a new enterprise resource planning (ERP) system along with many integration technologies to help us improve our efficiency and customer satisfaction.

Your Company has been professionally managed under the guidance of esteemed Directors on the board of the company.

I would like to take this opportunity to place on record the efforts of our Employees, support of our Bankers Union Bank of India, Government Authorities, Valuable Shareholders and each and every stake holder who has contributed in the growth of the Company.

After completion of the speech, the Chairman requested Mr. Abhinay Kapoor, Company Secretary, to read out the Auditor's Report along with the Annexure. Some of the Members insisted that reading of the Auditors' Report was not necessary as per the provisions of the Companies Act, 2013 and, therefore, it was taken as read.

Thereafter, Chairman informed that in accordance with the provisions of Companies Act, 2013, the items of the Notice are to be transacted through e-voting and polling papers. The e-voting was held from 29th August, 2014 (9:00 am) to 30th August, 2014 (6:00 pm) and poll will be conducted at the Annual General Meeting of the Company after the resolutions are proposed and seconded by the Members. The Chairman further informed that, Ms. Shweta Gokarn, Practicing Company Secretary, has been appointed as the Scrutinizer.



Chairman further announced that he will take the items mentioned in the Notice for consideration of the Members and passing the necessary resolutions and then forum will be opened for questions.

Thereafter, the following business was transacted:

ORDINARY BUSINESS

1. Adoption of Auditer' Accounts for the year 2012-13

Mr. Rohinton Batiwala proposed and Mr. Umesh Raut seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT the audited Balance Sheet of the Company as on 31st March, 2014 and the Profit & Loss Account for the year ending on that date, together with Directors' Report and Auditors' Report thereon, as placed before the Meeting, be and are hereby received, considered and adopted."

2. Declaration of Dividend on Equity Shares for the year 2011-12

Mr. Rohinton Batiwala proposed and Mr. Tushar Sodha seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the recommendations made by the Board of Directors of the Company, a dividend at the rate of Rs. 1.20 per equity share to the equity shareholders of the Company, whose name appear in the Register of Members as on closing of 28th August, 2014, be and is hereby declared out of the profits of the Company for the year ended 31st March 2014."

3. Re-appointment of Mr. Omprakash Agarwal (DIN: 00022796), as Director

Mr. Satish Shah proposed and Mr. Umesh Raut seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT Mr. Omprakash Agarwal (DIN: 00022796), Director of the Company, who retires by rotation at this Meeting, being eligible for re-appointment, be and is hereby re-elected as the Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."



4. Re-appointment of Statutory Auditors

Mrs. Lekha Shah proposed and Mr. Umesh Raut seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed there under, as amended from time to time, M/s. S. R. Rege & Co., Chartered Accountants (Firm Registration No. 108813W), be and are hereby appointed as Auditors of the Company, to hold office from conclusion of this Annual General Meeting (AGM) till the conclusion of Thirty Fourth AGM of the Company to be held in year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus out of pocket expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. Appointment of Mr. Raj Kumar Mittal as an Independent Director

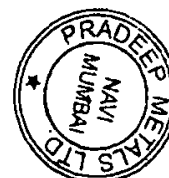
Mr. Tushar Sodha proposed and Mr. Jehangir Batiwala seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules framed there under, read with Schedule IV of the Act, as amended from time to time, Mr. Raj Kumar Mittal (DIN 00020255), non-executive Director of the Company, who retires by rotation at the ensuing Annual General Meeting and has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of 36th Annual General Meeting of the Company in the calendar year 2019."

6. Appointment of Mr. Suresh G. Vaidya as an Independent Director

Mr. Umesh Raut proposed and Mr. Satish Shah seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules framed there under, read with Schedule IV of the Act, as amended from time to time, Mr. Suresh G. Vaidya (DIN: 00220956), non-executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive



years for a term upto the conclusion of 36th Annual General Meeting of the Company in the calendar year 2019."

7. Appointment of Mr. Rajeev D. Mehrotra as an Independent Director

Mr. Rohinton Batiwala proposed and Mrs. Lekha Shah seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Rajeev D. Mehrotra (DIN: 01345096), non-executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of 36th Annual General Meeting of the Company in the calendar year 2019."

8. Appointment of Mr. Jaidev R. Shorff as an Independent Director

Mr. Tushar Sodha proposed and Mr. Umesh Raut seconded the following Resolution as Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Jaidev R. Shroff (DIN: 00191050), non-executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in Section 14 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of 36th Annual General Meeting of the Company in the calendar year 2019."

9. Approval of Remuneration to the Cost Auditors

Mr. Dilip Dalvi proposed and Mr. Satish Shah seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,25,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses, for the financial year commencing on 1st April, 2014 and ending on 31st March, 2015, as approved by the Board of Directors of the Company, to be paid to M/s. J.J.



Paleja & Co., Cost Accountants (Registration No. 100656) for the conduct of the Cost Audit of the Company, be and is hereby ratified and confirmed”.

10. Appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company

Mr. Pradeep Goyal, being interested in the Resolution, handed over the Chair to Dr. Kewal K. Nohria.

Mrs. S.K. Mahajan proposed and Mr. Jehangir Batiwala seconded the following Resolution as Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Sections 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enhancement thereof for the time being in force) and pursuant to the approval granted by the Board of Directors of the Company and Nomination & Remuneration Committee at their meeting held on 3rd July, 2014, and subject to the approval(s) from appropriate authorities required (if any), approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company, for a period of 3 (Three) years commencing from 17th December, 2014 to 16th December, 2017, on the following remuneration:

(i)	Basic Salary	Rs. 7,00,000/- per month
(ii)	Incentive Pay	Subject to maximum of Rs. 25,00,000/- per annum to be decided by the Board of Directors/Nomination & Remuneration Committee depending on performance of the Company.
(iii)	Prerequisites (Including Allowances)	
	Leave Travel Allowance	The yearly payment in the form of allowance shall be equivalent to one month's basic salary.
	Magazines/ Books Allowance	Rs. 50,000/- per annum
	Gas/ Electricity/ Maintenance Allowance	Rs. 96,000/- per annum
	Medical Reimbursement	Expenditure incurred by the Chairman and Managing Director and his family, subject to ceiling of one month's salary over a period of three years.
	Club Fees	Actual fees for maximum of two clubs. Admission fee and life membership fees will not be paid by the Company.
	Contribution to Provident Fund Superannuation Fund or Annuity Fund	To the extent these either singly or put together are not taxable under Income Tax Act, 1961
	Gratuity	Payable at a rate not exceeding half month's salary for each completed year of service.



Encashment of leave :	At the end of the tenure as per the Company's Rules
Car	For use on the Company's business
Telephone	At residence and cellular phones. Personal long distance calls to be charged and recovered by Company.

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

RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year during tenure of his service, the above remuneration shall be paid to Mr. Pradeep Goyal as minimum remuneration with the approval of Central Government, if required.

RESOLVED FURTHER THAT, during the term of office of Mr. Pradeep Goyal as Chairman and Managing Director of the Company, he shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT, the Board of Directors of the Company/ Nomination & Remuneration Committee of the Directors be and are hereby authorized to alter/amend/revise the terms and conditions of appointment of Mr. Pradeep Goyal with mutual consent, subject to and in accordance with the applicable provisions of the Companies Act, 2013 and Schedule V thereto and THAT the approval of the Central Government and other appropriate authorities (if required) may be obtained for payment of the remuneration, as mentioned herein, as minimum remuneration to Mr. Pradeep Goyal, without further reference to the Members.

RESOLVED FURTHER THAT, Board of Directors/Nomination & Remuneration Committee of the Directors be and are hereby authorized to take all necessary steps to implement this Resolution and to authorize doing of all such acts, deeds, matters and things by anyone Director/Executive/Officer/representative of the Company."

Thereafter, Dr. Nohria handed over the Chair to Mr. Goyal.

11. Authority for borrowing monies in excess of paid up capital and free reserves of the Company but not exceeding to Rs. 150 Crores.

Mrs. Lekha Shah proposed and Mr. Tushar Sodha seconded the following Resolution as Special Resolution:

"RESOLVED THAT in supersession of the earlier resolutions passed, the consent of the Company be and is hereby accorded in terms of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up



capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.150 crore (Rupees One Hundred and Fifty crores)."

12. Authority for creation of charges/ mortgages etc on the properties of the Company for an amount not exceeding Rs. 150 Crores

Mr. Rohinton Batiwala proposed and Mr. Satish Shah seconded the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions of the said Act, if any, and the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the creation by the Board of Directors of the Company (hereinafter referred to as "the Board, which term shall be deemed to include any Committee thereof) from time to time of such mortgage, charges, liens, hypothecation, assignment, transfer and/or other securities in addition to the mortgages, charges, liens, hypothecation, assignment, transfer and/or other securities already created by the Company, on terms and conditions as the Board in its sole discretion may deem fit, on Company's assets and properties, both present and future, whether moveable or immovable, including whole or substantially the whole of the Company's undertaking(s) in favour of Lenders as may be agreed to by the Board for the purpose of securing the repayment of any loans/financial assistance/other borrowings, subject to maximum of Rs. 150 Crores (Rupees One Hundred and Fifty Crores)."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as maybe required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid."

13. Approval for payment of commission to the Directors of the Company (other than Directors from the Promoters' Group)

Mr. Tushar Sodha proposed and Mr. Rohinton Batiwala seconded the following Resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Clause 49(II)(C) of the recently amended Listing Agreement with the Stock Exchange(s) and the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent, authority and approval of the Company be and is hereby accorded for payment of commission to the Directors of the Company (other than Directors from the Promoters' Group)



annually for each of the five financial years commencing from financial year 2014-15, an amount not exceeding 1% (one percent) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act, to be divided amongst the Directors aforesaid in such amounts or proportions and in such manner as the Board of Directors (hereinafter referred as "Board") of the Company may from time to time determine and in default of such determination equally and further that the above remuneration shall be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose, whatsoever, as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

14. Approval to enter into contracts with Pradeep Metals Ltd. New York, USA, 100% subsidiary of the Company

Mr. Tushar Sodha proposed and Mr. Jehangir Batiwala seconded the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and any other provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to statutory approval, if any, approval of the Company be and is hereby accorded to the Board of Directors to enter into contracts and supply goods and services to Pradeep Metals Ltd., New York, USA, 100% subsidiary of the Company, during normal course of business and on arm's length basis, notwithstanding the fact that the value of such contract/supplies may exceed 5 (five) percent of annual turnover of the Company or 20 (twenty) percent of net worth of the Company in a year and provided further that the terms and conditions of such contracts/supplies are not detrimental to the interest of the Company and the value thereof shall not exceed Rs. 20 crore (Rupees Twenty crore) in any financial year."

Thereafter, the Chairman requested the Members, who have not already participated through e-voting, to cast their votes in the Ballot Box.

After Completion of polling process, Chairman announced that the result of the voting will be declared on 6th September, 2014. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pradeepmetals.com and on the website of NSDL within 2 days of passing of the resolutions at the Annual General Meeting of the Company and communicated to BSE.



Chairman Invited questions from Shareholders. Given below are the salient points of questions/comments of the Members who spoke at the Meeting:

Rohinton Batiwala

- Appreciated the Company for increasing the dividend rate from 10% to 12%.

Lekha Shah

- Wished the Board, the management, the employees and the Company a successful year ahead.

Jehangir Batiwala

- Thanked Mr. Abhinay Kapoor and team for sending the comprehensive and informative Annual Report.
- Congratulated the Company for the profits made by its Wholly Owned Subsidiary, Pradeep Metals Limited, USA.
- Expressed his content over the increased dividend payment received.
- Appreciated the efficiency of HR Department.

Suggested:

- The Company should provide highlights of previous 10 years instead of 5 years.
- A blank page should be added on the back side of the Annual Report for taking down notes.

Enquired:

- Road map of the Company for next five years.
- Competitors of the Company.

Tushar Sodha

Enquired:

- The decrease in the rate of distributed profit from 50% in last year to 40 % in the current year.

After all the Members had given their comments and suggestions, Mr. Pradeep Goyal, Chairman, responded to the queries and inter alia mentioned as under:

- He thanked the Shareholders for their appreciation and compliments.
- He informed that the Company is targeting an annual growth at the rate of 15% to 20% and 4% to 5% for its US Subsidiary.
- Oil and gas industry is at peak and we are positive of making good business in the coming years.



- The distributed profit has decreased from 50% to 40% as the Company has thought it prudent to retain the profit for expenditure on renovation and upgradation work and purchase of machineries which are power and fuel efficient.
- As a Corporate Social responsibility (CSR) activity, we have initiated in providing clean and hygienic environment by setting up toilets in the rural parts of the Country.
- Competitors exist in every industry and as oil and gas Industry is at boom, many new entrants have come up.
- We are focusing on Niche market and over all these years we have developed good customer relations which prove beneficial for us in the long run of competition.
- He informed that M/s. J.J. Paleja has been appointed as the Cost Auditor for the financial year 2014-2015.

Vote of Thanks to the Board Directors and Management of the Company was proposed by Mr. Tushar Sodha, seconded by Ms. Lekha Shah and passed unanimously.

Chairman then announced that the meeting is concluded.



CHAIRMAN

