Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

PML/SE/2018-19/22 21st August, 2018

The Secretary,
BSE Limited
P J Towers,
Dalal Street,
Mumbai-400 001

Dear Sir / Madam,

Sub: Regulation 34 (1) – Submission of 35th Annual Report for FY 2017-18.
Scrip Code: 513532

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Listing Regulations), and further to our letter bearing ref. no. PML/SE/2018-19/20 dated 16th August, 2018 we submit herewith, the 35th Annual Report of Pradeep Metals Limited for the financial year ended 31st March, 2018, which was approved and adopted by the Members at the 35th Annual General Meeting of the Company held on 14th August, 2018.

Please take the same on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited

Harshad Babade

Digitally signed by Harshad Babade
DN: cn=Harshad Babade gn=Harshad Babade c=India l=IN e=harshadbabade@gmail.com
Reason: I am the author of this document
Location:
Date: 2018-08-21 14:29+05:30

PRADEEP METALS LTD. NAVI MUMBAI

Harshad Babade
Company Secretary
A51159
Encl: as above

R-205, M.I.D.C., RABALE, NAVI MUMBAI - 400 701, INDIA.
Phone : +91-22-2769 1026, 2769 3173 Fax : +91-22-2769 1123
CIN : L99999MH1982PLC026191 E-mail : info@pradeepmetals.com Website : www.pradeepmetals.com

Pradeep Metals Limited

35th ANNUAL REPORT

2017 - 2018

TABLE OF CONTENTS

BLANK
PAGE

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Pradeep Goyal	Chairman and Managing Director
Dr. Kewal K. Nohria	Non-Executive Director
Mr. Omprakash Agarwal	Non-Executive Director
Mrs. Neeru Pradeep Goyal	Non-Executive Director
Mr. Suresh G. Vaidya	Independent Director
Mr. Raj Kumar Mittal	Independent Director (upto 29th August, 2017)
Mr. Jaidev R. Shroff	Independent Director
Mr. Jayavardhan Dhar Diwan	Independent Director (w.e.f. 13th May, 2017)
Mr. Kartick Maheshwari	Additional Director (Independent)(w.e.f. 10th Nov, 2017)

Chief Financial Officer	**Company Secretary and Compliance Officer**
Mr. Rakesh Agarwal (upto 12th May, 2018)	Ms. Suchita Singh (upto 21st Feb, 2018) Mr. Harshad Babade (w.e.f. 9th May, 2018)

Dy. Chief Financial Officer

Mr. Dilip Dalvi
(w.e.f. 9th May, 2018)

Statutory Auditor	**Secretarial Auditor**
N. A. Shah Associates LLP Chartered Accountants	Shweta Gokarn & Co. Company Secretaries

Internal Auditor	**Cost Auditor**
BDO India LLP	MKJ & Associates Cost and Management Accountants

Bankers

Union Bank of India

Registered Office

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

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.
Tel: +91-22-49186270; Fax: +91-22-49186060
Email: rnt.helpdesk@linkintime.co.in

PERFORMANCE AT A GLANCE (STANDALONE)

(Rs. in lakhs)

PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14
Sales and Other Income (Net of Excise Duty)	14,460	12,338	12,084	13,261	11,542
Profit before Interest, Depreciation and Tax	2,210	1,762	1,580	1,884	1,443
Less: Finance Cost	621	550	676	421	331
Less: Depreciation	416	432	370	258	206
Less: Preliminary Expenses Written off	0	0	0	0	0
Less: Prior period items - (income) / expenses (net)	0	0	20	0	0
Profit Before Tax	1,173	779	514	1,205	906
Less: Taxation (including MAT and Deferred Tax)	353	264	138	422	302
Profit for the year before Dividend	**820**	**515**	**376**	**783**	**604**

Earnings per Equity Share of Rs.10/- each (in Rupees)

a. Basic	4.74	2.98	2.17	4.53	3.5
b. Diluted	4.74	2.98	2.17	4.53	3.5
c. Net Worth (Rs. In lakhs)	5,232	4,419	3,929	3,687	3,377

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF PRADEEP METALS LIMITED WILL BE HELD ON TUESDAY, 14th AUGUST, 2018 AT 3.00 PM AT N.K. MEHRA MEMORIAL HALL, THANE BELAPUR INDUSTRIES ASSOCIATION, P-14, MIDC, OPPOSITE RABALE RAILWAY STATION, RABALE, NAVI MUMBAI 400701 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the Reports of the Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the Reports of the Auditors thereon.

SPECIAL BUSINESS:

2. To re-appoint Dr. Kewal Krishan Nohria (DIN: 00060015) as the Non-Executive Director of the Company, who retires by rotation and who has attained the age of seventy-five years, being eligible, offers himself for re-appointment

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

   “**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or reenactment thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (to be effective from 1stApril, 2019) and on recommendation of the Nomination and Remuneration Committee of the Company, Dr. Kewal Krishan Nohria (DIN: 00060015), Non-executive Director of the Company, who retires by rotation in terms of Section 152 of the Companies Act, 2013 and who has attained the age of seventy-five years, being eligible and upon his consent to continue his Directorship, be and is hereby re-appointed as Non-Executive Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

3. To appoint Mr. Kartick Maheshwari (DIN: 07969734) as an Independent Director

   To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

   “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Kartick Maheshwari (DIN:07969734), who was appointed as an Additional Director of the Company by the Board of Directors in accordance with provisions of Section 161(1) of the Act on 10th November, 2017 and who holds office only upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To continue the appointment of Mr. Omprakash Agarwal (DIN: 00022796) as the Non-Executive Director of the Company.

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

   “**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or reenactment thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (to be effective from 1st April, 2019) and on recommendation of the Nomination and Remuneration Committee of the Company, Mr. Omprakash Agarwal (DIN: 00022796), Non-executive Director of the Company appointed on 21st August, 2017, who has attained the age of seventy-five years and upon his consent to continue further, approval of the members be and is hereby accorded to continue his directorship, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To continue the appointment of Mr. Suresh Gopal Vaidya (DIN: 00220956) as the Independent Director of the Company.

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

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (to be effective from 1st April, 2019) and on recommendation of the Nomination and Remuneration Committee of the Company, Mr. Suresh Gopal Vaidya (DIN: 00220956), Independent Director of the Company appointed on 4th September, 2014 for a period of 5 years upto the conclusion 36th Annual General Meeting of the Company, who has attained the age of seventy-five years and upon his consent to continue further, approval of the members be and is hereby accorded to continue his directorship till the expiry of his present term of office, not liable to retire by rotation;

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2019.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], MKJ & Associates, Cost & Management Accountants, Mumbai (Firm Registration No. 001352), appointed by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2019, be paid a remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only)plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection of the aforesaid audit."

By order of the Board of Directors
For PRADEEP METALS LTD

Place: Navi Mumbai
Date: 9th July, 2018

Sd/-
Harshad Babade
Company Secretary
Membership No. A51159

REGISTERED OFFICE:
R-205, MIDC, Rabale, Navi Mumbai - 400 701
Tel: +91-22-27691026 Fax: +91-22-27691123
Email: investors@pradeepmetals.com
Website : www.pradeepmetals.com
CIN: L99999MH1982PLC026191

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed, signed and stamped not less than **(48) FORTY EIGHT HOURS** before the commencement of the meeting viz. upto 3.00 pm on 12th August 2018. Proxies / authorizations submitted on behalf of limited companies, body corporate, societiesetc., must be supported by appropriate resolutions/authority, as applicable.

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.A Proxy Form is annexed to this Notice.

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out all material facts relating to Special Business to be transacted at the meeting is annexed herewith and the same should be taken as part of this Notice. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as Director, are also annexed.

3. The Company has appointed Ms. Shweta Gokarn, Practicing Company Secretary (Certificate of Practice Number- 11001) to act as a Scrutinizer, for conducting the remote E-Voting process and to conduct voting/poll at AGM, in a fair and transparent manner.

4. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 7th August, 2018 to Monday,13th August, 2018 (both days inclusive).

5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days' notice in writing is given to the Company.

6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code, IFSC Code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant(DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agent i.e. Link Intime India Private Limited (LIIPL), C 101, 247 Park, LBS Marg, Vikhroli (West) Mumbai 400 083,to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LIIPL.

   The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their depository participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to LIIPL.

7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or LIIPL, the details of such folios together with the Share Certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

8. Members holding shares in physical form are requested to consider converting their holdings in dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIIPL for assistance in this regard.

9. Members seeking any information with regard to the Accounts, are requested to write to the Company at investors@pradeepmetals.com at least 10 (Ten) days before the Meeting, so as to enable the Management to keep the information ready at the AGM.

10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. The Notice of the AGM along with the Annual Report for financial year 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registeredtheir e-mail addresses, physical copies are being sent by the permitted mode. The Notice is being sent to all Members whose names would appear in the Register of Members as on Friday, 6thJuly, 2018 and to the Directors and Auditors of the Company.
12. Members may note that the electronic copy of the 35thAnnual Report (including the AGM Notice) will also be available on Company's website i.e. www.pradeepmetals.com for their reference.
13. All documents referred to in this Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days, between 10.00 AM and 01.00 PM up to date of the Annual General Meeting except on Sundays and holidays.
14. Members / Proxies/ authorized representatives are requested to bring their copies of the Annual Report to the meeting along with duly filled in attendance slips mentioning therein details of their DP ID and Client ID / Folio No. for attending the meeting.
15. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents or to the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.
16. The Company's Equity shares are the Script which Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialized form by all investors.
17. A route map showing directions to reach to the venue of the 35th Annual General Meeting is given at the end of this notice as per the requirement of Secretarial Standards on General Meeting (SS-2).
18. To support 'Green Initiative', Members who have not registered their email addresses are requested to register the same with DPs /LIIPL.

Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Transfer Agents to record additional details of Members, including their Permanent Account Number (PAN) details, e-mail address, Bank Account details for payment of Dividend etc. Further, the Securities and Exchange Board of India has mandated submission of PAN by every participant in the Securities market.

A form for capturing the above details is appended to the AGM notice. Members holding shares in physical format are requested to submit the filled-in form to the Company or its Registrar and Transfer Agents. Members holding shares in electronic format are requested to submit the details of their respective Depository Participants.

VOTING THROUGH ELECTRONIC MEANS

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

Instructions for e-voting are as under:

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 35th Annual General Meeting to be held on Tuesday, 14th August, 2018 at 3.00 pm, by electronic means and the business may be transacted through e-voting services. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The Notice is displayed on the Company's website www.pradeepmentals.com and on the website of NSDL www.nsdl.co.in.

II. The facility for voting through Polling Paper will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting, shall be able to exercise their right at the AGM through polling paper.

III. The Members who have cast their votes by remote e-voting prior to AGM may also attend AGM but shall not be entitled to cast their vote again.

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

Commencement of e-voting	End of e-voting
11th August, 2018 (9.00 am)	**13th August, 2018 (5.00 pm)**

During this period, Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th August, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, they shall not be allowed to change it subsequently.

Please read the instructions printed below before exercising your vote. These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 14th August, 2018.

V. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy

(PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csshwetagokarn@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item no. 2

The Members of the Company, at the 32nd Annual General Meeting held on 11th September, 2015 had approved appointment of Dr. Kewal Krishan Nohria as Non-Executive Director of the Company liable to retire by rotation.

However, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (to be effective from 1stApril, 2019), provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

In pursuance of the aforesaid provisions, Dr. Kewal Krishan Nohria, Non-Executive Director of the Company, has already attained the age of seventy-five years. His rich and prudent experience in Electrical and Electronics industry and valuable guidance provided form time to time prove worthy and in interest of the Company to continue to avail his considerable expertise and thereby continue his directorship.

Additional details with regard to nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Listing Regulations, is provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Dr. Kewal Krishan Nohria, none of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution.

The Board commends passing of the Resolution set out at Item No. 2 of the accompanying notice as Special Resolution.

Item no. 3

Appointment of Mr. Kartick Maheshwari (DIN:07969734), as Independent (Non-Executive) Director

In order to comply with the provisions of Section 149 of the Companies Act, 2013 (the Act) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent to the resignation tendered by Mr. Raj Kumar Mittal as an Independent Director of the Company on 29th August, 2017, the Board of Directors in its meeting held on 10th November, 2017, appointed Mr. Kartick Maheshwari as an Additional Director of the Company.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company.

Mr. Kartick Maheshwari, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Kartick Maheshwari fulfills the conditions specified in the Act and the Rules framed there under for appointment as an Independent Director and is independent of the management.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Kartick Maheshwari be appointed as an Independent Director of the Company for the term of 5 years.

Mr. Kartick Maheshwari holds a degree in Masters in Law from University of Pennsylvania (Philadelphia) and BA, LLB (Hons) from National Law School of India University, Bangalore. He is a Member of Bar Association of West Bengal and a Partner at M/s. Khaitan & Co., a renowned firm of solicitors and advocates and represents private equity firms, sovereign wealth funds and corporate strategic investors. Additional details with regard to nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Listing Regulations, is provided in the Corporate Governance Report forming part of the Annual Report.

The terms and conditions of appointment of Mr. Kartick Maheshwari are available for inspection by Members at the Registered Office ofthe Company on all working days (except Sundays and holidays) between 10:00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Kartick Maheshwari, none of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolutions.

The Board commends passing of the resolutions set out at Item No. 3 of the accompanying Notice.

Item No. 4

The Members of the Company, at the 34th Annual General Meeting held on 21st August, 2017, had approved appointment of Mr. Omprakash Agarwal as Non-Executive Director of the Company, liable to retire by rotation.

However, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (to be effective from 1st April, 2019), provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In pursuance of the aforesaid provisions, Mr. Omprakash Agarwal, Non-Executive Director of the Company, has already attained the age of seventy-five years. His rich and prudent experience in Forging and Engineering industry as well as corporate marketing prove worthy and in interest of the Company to continue to avail his considerable expertise and thereby continue his directorship.

Additional details with regard to nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Listing Regulations, is provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Omprakash Agarwal, none of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolutions.

The Board commends passing of the Resolution set out at Item No. 4 of the accompanying notice.

Item No. 5

The Members of the Company, at the 31st Annual General Meeting held on 4th September, 2014 had approved appointment of Mr. Suresh Gopal Vaidya, as an Independent Director of the Company, for a period of five years upto the conclusion of 36th Annual General Meeting of the Company.

However, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (to be effective from 1st April, 2019), provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In pursuance of the aforesaid provisions, Mr. Suresh Gopal Vaidya, Non-Executive and Independent Director of the Company, has already attained the age of seventy-five years. His wide experience in revival of sick units as well as managing profit-making units and valuable guidance provided from time to time prove worthy and in interest of the Company to continue to avail his considerable expertise and thereby continue his directorship till the expiry of present term of his office.

Additional details with regard to nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Listing Regulations, is provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Suresh Gopal Vaidya, none of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolutions.

The Board commends passing of the Resolution set out at Item No. 5 of the accompanying notice

Item No. 6

The Board of Directors had appointed MKJ & Associates, Cost Accountant (Firm Registration No. 001352), as the Cost Auditor of the Company for conducting the audit of cost records for FY 2017-18. Considering their satisfactory performance, the Board of Directors, on the recommendation of the Audit Committee at its meeting held on 9th May, 2018, approved the appointment of MKJ & Associates, Cost & Management Accountants, (Firm Registration No. 001352), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019 at a remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses at actual. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, consent of the Members is sought by passing an Ordinary Resolution, as set out at Item No. 6 of the Notice, for the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors/Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of this Resolution.

The Board commends passing of the Resolution set out at Item No. 6 of the accompanying notice.

By order of the Board of Directors
For PRADEEP METALS LTD

Sd/-
Harshad Babade
Company Secretary
Membership No.: A51159

Place: Navi Mumbai
Date: 9thJuly, 2018

DIRECTORS' REPORT

Your Directors are pleased to present the Thirty Fifth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL RESULTS

The Company's standalone financial performance for the year ended 31st March, 2018 is summarized below:

(Rs. In Lakhs)

Year Ended	31.03.2018	31.03.2017*
Total Income	14,551.10	12,756.82
Less: Excise Duty	91.26	418.87
Net Income	14,459.84	12,337.95
Profit / (loss) before Depreciation	1,588.31	1,211.80
Less: Depreciation & amortization expenses	415.65	432.31
Profit before taxes	**1172.66**	**779.49**
Less: Provision for taxes	353.32	264.42
Profit after tax for the year	**819.34**	**515.07**
Other Comprehensive Income (Net of Taxes)	(7.97)	(24.31)
Total Comprehensive Income	**811.37**	**490.76**

* Figures for the year ended 31st March 2017 have been regrouped as per Indian Accounting Standards (IND-AS)

2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Your Company achieved Revenues from Operations and Other Income (net of Excise Duty) of Rs. 14,459.84 lakhs during the financial year ended 31st March, 2018, an increase of 17.20% over the previous year. Profit before taxes & prior period items for the year has increased by 50.44% and Profit after taxes by 59.07% during the year under review due to better recovery and cost controls.

Detailed analysis and future outlook of the Company's business are dealt in the Management Discussion and Analysis Report.

3. DIVIDEND

Considering the current market conditions and need to improve capital gearing, the Board of Directors thought it prudent not to recommend any Dividend for the financial year ended 31st March, 2018.

4. TRANSFER TO RESERVES

No amount has been transferred to the General Reserve.

5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), is presented in a separate section forming part of the Annual Report.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has one Wholly Owned Subsidiary namely Pradeep Metals Limited, Inc., Houston, USA (the WOS) and one Step-down Subsidiary namely Dimensional Machine Works, LLC, Houston, USA (the SDS). Financials of both the subsidiaries are included in the Consolidated Financial Statements, which are prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Report.

The WOS is engaged in warehousing and marketing the products manufactured by the Company, whereas the SDS is manufacturing components mainly for the Oil & Gas industry in USA. The total income of the WOS and the SDS was Rs. 2,147.45 lakhs and Rs. 1,796.58 lakhs for the current year as compared to Rs. 922.73 lakhs and Rs. 1,062.04 lakhs for the previous year, respectively. The combined loss before taxes of both the subsidiaries amounted to Rs. 336.17 lakhs in the year as compared to loss of Rs. 806.94 lakhs in the previous year.

The consolidated Income of the Company (net of Excise duty) is Rs.16,454.68 lakhs in the current year as compared to Rs.13,329.64 lakhs in the previous year,i.e. a growth of 23.44%. The consolidated Profit after taxes (but prior to allocation to minority interest) for the current year is Rs. 514.66 lakh as compared to loss of Rs 313.35 lakh in the previous year.

The WOS and the SDS are now performing better because of their inherent strength in terms of technology, development of new customers and products, timely deliveries and the satisfied customers.

The ongoing dispute between the WOS and erstwhile partner (holding 49% in the SDS) was settled out of court in current financial year. As per the settlement, the WOS acquired the 49% shareholding in the SDS from the erstwhile partner and the SDS became 100% subsidiary of the WOS retrospectively w.e.f. 27th September, 2016. Accordingly, management of both the companies revised their financial statements for the earlier years and the resultant impact is described in Para 23 here-in-after.

As required by the Companies (Accounts) Rules, 2014, a report on performance and financial position of each of the subsidiaries, included in the Consolidated Financial statements, is annexed to this Report as Annexure A (Form No. AOC-1).

7. DEPOSITS

The Company has not invited or accepted any fixed deposits from the public and, as such, no amount of principal or interest was outstanding in respect thereof on the date of the Balance Sheet.

8. CREDIT RATING

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by the rating agency as given below:

Rating Agency	CRISIL Limited
Total Bank Loan facilities rated	Rs. 9,600 lakhs
Long-term Rating	BB+ / Negative
Short-term Rating	A4+

9. SHARE CAPITAL

During the year under review, there was no change in the Company's Issued, Subscribed and Paid-up Equity Share Capital which consisted of 1,72,70,000 Equity Shares of Rs.10/- each as on 31st March, 2018.

The Company has issued only one class of Equity Shares and it has not issued shares with differential rights.

The Company has not issued any Equity Shares under Sweat Equity Share Capital or Employee Stock Option Scheme and there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under any scheme.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

At present, your Company has Eight (8) Directors consisting of Four (4) Independent Directors (of which one is an Additional Director), One (1) Executive Director and Three (3) Non-Executive Directors (including a Woman Director).

Re-appointment:

In accordance with the provision of Section 152(6) of the Companies Act, 2013 ("the Act"), Dr. Kewal Krishan Nohria (DIN: 00060015), Non-Executive, Non-Independent Director, retires by rotation at ensuing Annual General Meeting (AGM) and, being eligible, has offered himself for re-appointment. His background is given in the Corporate Governance Report, which forms part of this Report.

Cessation/Resignation:

- During the period under review, Mr. Raj Kumar Mittal resigned as a Director of the Company w.e.f. 29th August, 2017 due to his personal reasons. The Board places on record its appreciation and gratitude for the valuable contribution by Mr. Raj Kumar Mittal during his tenure with the Company.
- Ms. Suchita Singh, Company Secretary and Compliance officer of the Company resigned w.e.f. 21st February, 2018.

- Mr. Rakesh Agarwal, Chief Financial Officer of the Company resigned w.e.f. 12th May, 2018.

Appointment:

- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Kartick Maheshwari (DIN: 07969734) as an Additional Director in the category as Non-Executive /Independent Director w.e.f.10th November, 2017, in the casual vacancy caused due to resignation of Mr. Raj Kumar Mittal. Pursuant to the provisions of Section 161 of the Act, Mr. Kartick Maheshwari will hold office up to the date of the ensuing AGM. He has confirmed his eligibility and willingness to accept the office of Directorship of your Company, if appointed. Mr. Kartick Maheshwari holds a degree in Master in Law from University of Pennsylvania (Philadelphia) and BA, LLB (Hons) from National Law School of India University, Bangalore. He is a Member of Bar Association of West Bengal and a Partner at M/s. Khaitan & Co., a renowned firm of solicitors and advocates and represents private equity firms, sovereign wealth funds and corporate strategic investors. In the opinion of your Directors, the qualifications and rich experience of Mr. Kartick Maheshwari would be useful to your Company. It is, therefore, considered prudent that your Company should continue to avail the services of Mr. Kartick Maheshwari and the Board recommends that the proposed resolution relating to the appointment of Mr. Kartick Maheshwari as the Director of your Company be approved. Your Company has received a notice under Section 160 of the Act, proposing appointment of Mr. Kartick Maheshwari as an Independent Director of your Company.
- Consequent to the resignation of Mr. Rakesh Agarwal, Chief Financial Officer of the Company, Mr. Dilip Dalvi was appointed as the Deputy Chief Financial Officer of the Company w.e.f. 9th May, 2018.
- **Appointment of Company Secretary:**
  Consequent to the resignation of Ms. Suchita Singh, Company Secretary and Compliance Officer of the Company, Mr. Harshad Babade was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 9th May, 2018.

Pursuant to the provisions of Section 203 of the Act, Mr. Pradeep Goyal, Chairman and Managing Director, Mr. Dilip Dalvi, Deputy Chief Financial Officer and Mr. Harshad Babade, Company Secretary and Compliance officer are the Key Managerial Personnel of the Company as on the date of this Report.

11. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure B**.

12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors, in respect of the year ended 31st March, 2018, hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
b. they 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 at the end of the financial year and of the profit and loss of the Company for that period;
c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. they have prepared the annual accounts on a going concern basis;
e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company, confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION ETC.

The Company has put in place appropriate policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013.

The salient features of Company's policy on Directors' remuneration have been disclosed in the Corporate Governance Report, which forms part of this Report.

15. ANNUAL EVALUATION OF BOARD'S PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of the working of its own performance, the Directors individually as well as evaluation of its Committees.

The Nomination and Remuneration Committee also reviewed the performance of Individual Directors, the Board as a whole, Committees of the Board and Chairman and Managing Director after taking into consideration feedback received from Directors. The evaluation was done on various parameters such as vision and strategy, participation, disclosures of interests, review of risk management policies and evaluating plans with reference to risk and return, good governance, leadership skills, operations, business development, human resources development, corporate communication etc. as per the structured questionnaire circulated to the Directors, taking into consideration the guidelines issued by SEBI. The feedback received from Directors were then consolidated and placed before the Committee / Board for its evaluation. The Directors expressed their satisfaction with the evaluation process.

16. CORPORATE GOVERNANCE AND VIGIL MECHANISM

A detailed Report on Corporate Governance, pursuant to the requirements of Regulation 34(3) of the Listing Regulations forms an integral part of this Report. A Certificate from the Auditors of the Company, N. A. Shah Associates LLP, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V(E) of the Listing Regulations, is annexed to this Report as **Annexure C**.

The Business Responsibility Reporting as required by Regulation 34(2) of the Listing Regulations is not applicable to your Company for the financial year ending 31st March, 2018.

The Vigil Mechanism of the Company also incorporates a Whistle Blower Policy in terms of the Listing Regulations thereby establishing a vigil mechanism for Directors and permanent employees for reporting genuine concerns, if any. Protected disclosures can be made by a whistle blower through an E-mail or dedicated telephone line or a letter to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://www.pradeepmetals.com/policies/.

17. RISKS

Your Directors had constituted a Risk Management Committee which was entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, Legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Committee has been dissolved because of small size of the business w.e.f. 13th May, 2017 and the Audit Committee currently looks into the Risk Management functions.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board and the same has been hosted on the Company's website www.pradeepmetals.com.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. During the year, the Company has spent Rs.12.59 lakhs (about 74.98%) against the annual requirement of Rs. 16.79 lakhs for the year 2017-18 on CSR activities.

The Company has identified focus areas of engagement which have been enumerated in the Annual Report on CSR activities in **Annexure D** to this Report.

19. AUDIT COMMITTEE

The details in respect of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

20. AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors

Pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, N. A. Shah Associates LLP (Registration No. 116560W/W100149), [formerly known as N A Shah Associates (Firm Registration No.116560W)] Chartered Accountants, were appointed in 32nd Annual General Meeting ("AGM") as the Statutory Auditors of the Company, for a term of 5 years. In terms of the provisions relating to Statutory Auditors forming part of the Companies Amendment Act, 2017, notified on 7th May, 2018, ratification of appointment of Statutory Auditors is no more required. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors. However, N. A. Shah Associates LLP has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for financial year ending 31st March, 2019 and accordingly they will continue to be the Statutory Auditors of the Company for financial year ending 31st March, 2019.

Auditors Report

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

b. Cost Auditors

As per the requirement of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 (the Act) read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company has been carrying out audit of its cost records every year.

The Board of Directors, on recommendation of Audit Committee, has re-appointed MKJ & Associates, Cost & Management Accountants, (Firm Registration No. 001352) as Cost Auditors to audit the cost accounts of the Company for financial year 2018-19 at a remuneration of Rs.1,25,000/- (plus applicable taxes and reimbursement of out of pocket expenses at actuals).

Pursuant to Section 148 of the Act, a resolution seeking Member's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing AGM.

The relevant Cost Audit Report for the FY 2016-17 was filed with Ministry of Corporate Affairs on 11th September, 2017. No adverse comments have been made in the said Report.

c. Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai (Certificate of Practice Number: 11001) were appointed as the Secretarial Auditors to conduct Secretarial Audit.

The Secretarial Auditors' Report for the financial year ended 31st March, 2018 is annexed to this Report as **Annexure E**. No adverse comments have been made in the said Report.

The Board has also appointed Shweta Gokarn & Co. as Secretarial Auditors to conduct the Secretarial Audit of the Company for financial Year 2018-19.

21. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

During the financial year 2017-18, the Company has not made any investment in the Equity Share Capital of Pradeep Metals Limited Inc,(WOS).

The Company has given loan to Pradeep Metals Inc, USA (WOS) of USD 0.350 Mn and it has given Corporate Guarantee and created pari passu charge on its fixed assets (excluding Wind Mill) for securing ECB of USD 1.200 Mn raised by the WOS from Union Bank of India, Hong Kong Branch, during the financial year 2017-18.

22. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract/ arrangement/ transaction with related parties, other than the WOS, which could be considered material, in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website www.pradeepmetals.com .

The particulars as required under the Act are furnished in **Annexure F** (Form No. AOC-2) to this Report.

23. MATERIAL CHANGES AND COMMITMENTS

The ongoing dispute between the WOS holding 51% in the SDS and erstwhile partner (holding 49% shareholding in the SDS) was settled out of court in current financial year. As per the settlement, the WOS acquired the 49% shareholding in the SDS from the erstwhile partner and the SDS became 100% subsidiary of the WOS retrospectively w.e.f. 27th September, 2016. Accordingly, management of the WOS and the SDS revised the financial statements for the earlier years. Consequently, the net reduction in profit by Rs. 83.83 lakhs (consisting of increase in profit on account of revision in statements of profit & loss account of the WOS & the SDS and reduction in profit on account of recomputation of allocation of costs to non-controlling interest and losses post acquisition of 49% shareholding) has been adjusted in opening 'Other Equity' as on 1st April, 2017 in consolidated financial results for the year ended 31st March, 2018. Simultaneously, goodwill on acquisition has been recomputed by the SDS and it is reduced by Rs. 818.00 lakhs.

Save and except as above, no material changes have occurred and no commitments were given by the Company, thereby affecting its financial position between the end of financial year to which these financial statements relate and the date of this Report.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure G** to this Report.

25. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place adequate internal financial controls, commensurate with the activities and size of the Company, with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

26. SECRETARIAL STANDARDS

The Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

27. HUMAN RESOURCES

The Company recognizes its human resources as one of its prime & critical resources for its growth and hence it strives to align human resource policy and initiatives to meet business plans. The relations between the Management and the Staff Members remained very cordial throughout the year under review. As on 31st March, 2018, the Company had 284 permanent employees at its manufacturing plants and administrative office at Rabale, Navi Mumbai, Maharashtra.

28. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

29. EXTRACT OF ANNUAL RETURN AS ON 31st MARCH, 2018

Extract of Annual Return of the Company is annexed herewith as **Annexure H** to this Report.

30. BOARD MEETINGS HELD DURING THE FY 2017-18.

During the financial year 2017-18, Four (4) Board Meetings were held on 13th May, 2017, 21st August, 2017, 10th November, 2017 and 12th February, 2018, details of which are furnished in the Corporate Governance Report forming part of this Report. The gap between any two Meetings did not exceed 120 days.

31. PROMOTER GROUP

The Promoter Group comprises of Mr. Pradeep Goyal, Mrs. Neeru P. Goyal, Rabale Engineering India Pvt. Ltd., and S. V. Shah Construction Services Pvt. Ltd. The Promoter Group's holding in the Company currently is 72.19% of the Company's paid up Equity Capital and there is no change as compared to the previous financial year.

32. PARTICULARS OF EMPLOYEES

In terms of the provisions of Sub Rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, none of the employees draw salary in excess of the limits prescribed under the Act and hence, no particulars are given. The Report and the Accounts are being sent to the Members excluding the statement containing the names of top ten Employees in terms of Remuneration drawn. In terms of Section 136 of the Act, the details of top ten Employees are open for Inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

33. SPECIAL BUSINESS

As regards the items in the Notice of the Annual General Meeting relating to Special Business, the Resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of Members to those proposals.

The following resolutions are proposed to be passed as Special Business:

a. Appointment of Mr. Kartick Maheshwari as an Independent Director of the Company.
b. Re-appoint Dr. Kewal Krishan Nohria as Non-Executive Director of the Company, who retires by rotation at this AGM and who has attained the age of seventy-five years.
c. Continue the appointment of Mr. Omprakash Agarwal as the Non-Executive Director of the Company, who has attained the age of seventy-five years
d. Continue the appointment of Mr. Suresh Gopal Vaidya as the Independent Director of the Company.
e. Approve remuneration of Cost Auditors for the financial year ending 31st March, 2019.

34. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year:

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There were no frauds reported by the Auditors under Sub section (12) of Section 143 of the Companies (Amendment) Act, 2015, to the Audit Committee, Board of Directors or Central Government.

35. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Government authorities, Union Bank of India (bankers), customers, vendors, employees and members during the year under review and look forward to their continued support.

For and on Behalf of the Board of Directors

sd/-
Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Place: Navi Mumbai
Date: 9th July, 2018

ANNEXURE A TO DIRECTORS REPORT

FORM No. AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies (Accounts) Rules,2014)

Statement containing salient features of the Financial Statements of Subsidiaries/Associate Companies/Joint Ventures.

Part 'A' : Subsidiaries **(Rs. In lakhs)***

Sr. No.	Name of Subsidiary	Pradeep Metals Ltd Inc., Houston, USA	Dimensional Machine Works, LLC, Houston, USA
1	Date since when subsidiary was acquired	04.03.2015 #	25.04.2015
2	Reporting period	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
3	Reporting Currency	USD	USD
4	Share capital	885.14	2,359.59
5	Reserves and Surplus	(138.74)	(893.32)
6	Total Liabilities excluding share capital and reserves	3,734.96	772.41
7	Total Assets	4,481.36	2,238.68
8	Investments	2,362.08	-
9	Turnover / Total Income	2,147.45	1,796.58
10	Profit Before Taxation	41.07	(377.24)
11	Provisions for Taxation	-	-
12	Profit after Taxation	41.07	(377.24)
13	Proposed Dividend	-	-
14	% of Share Holding	100%	@100%

* Exchange Rate of USD 1= Rs.65.18 for Balance Sheet items and Rs.64.28 for Profit & Loss items for FY 2017-18.

\# Pradeep Metals Limited, New York, incorporated on 12th June, 2012, was merged into Pradeep Metals Limited, Inc., since 4th March, 2015.

@ Retrospectively w.e.f. 27th September, 2016.

1. Names of the Subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated and sold during the year: None

Part 'B': Associate and Joint Ventures

None

1. Names of the Associates / Joint Ventures which are yet to commence operations: None
2. Names of Associates / Joint Ventures which have been liquidated or sold during the year: None

Place: Navi Mumbai
Date: 9th July, 2018

For and on behalf of Board of Directors of
Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 0008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade *
Company Secretary
Membership No. A51159

Dilip Dalvi #
Dy. Chief Financial Officer

* Mr. Harshad Babade was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 9th May, 2018.

\# Mr. Dilip Dalvi was appointed as Deputy Chief Financial Officer of the Company w.e.f. 9th May, 2018.

ANNEXURE B TO DIRECTORS REPORT

Information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. **The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

Executive Director	Ratio to median remuneration
Mr. Pradeep Goyal	22.03

Non-executive Directors received no remuneration, except sitting fees for attending Board / Committees meetings. The details of sitting fees paid to Non-Executive Directors is provided in Corporate Governance Report.

II. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**
There was no change in the remuneration in the FY 2017-18.

III. **The percentage increase in the median remuneration of employees in the financial year :**
(10.57%).

IV. **The number of permanent employees on the rolls of Company:** 284

V. **Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
The Average percentile increase is 10% and there is no change in Managerial Remuneration.

VI. **Affirmation that the remuneration is as per the remuneration policy of the Company:**
Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid is as per its remuneration policy.

VII. The particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not providedas none of the employees draw salary in excess of the limits prescribed under the Act. The Report and the Accounts are being sent to the Members excluding the statement containing the names of top ten Employees in terms of Remuneration drawn. In terms of Section 136 of the Act, the details of top ten Employees are open for its Inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of
Pradeep Metals Limited

sd/-
Pradeep Goyal
Chairman and Managing Director
DIN:0008370

Date: 9th July, 2018
Place: Navi Mumbai

ANNEXURE C TO DIRECTORS REPORT
AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Pradeep Metals Limited

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

1. Based on the engagement by the management of Pradeep Metals Limited ('the Company'), we have examined details of compliance of conditions of Corporate Governance by Pradeep Metals Limited ('the Company') for the year ended 31st March, 2018 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.
4. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause/Regulation as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

7. Based on our examination and according to the information and explanations provided to us and representations provided by the Directors and management, we certify that during the year ended 31st March 2018, the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and Listing Regulations as applicable mentioned in para 1 above.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose of compliance with the requirement of the Listing Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

sd/-
Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 9th July, 2018

ANNEXURE D TO DIRECTORS REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

(Rs. in lakhs)

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs	The Company has identified two focus areas of engagement which are as under: ▪ Health: Eradication of Polio and creating nationwide awareness of cancer. ▪ Education: Promoting education by giving school kit, providing hostel facility and education to girl child (orphan) and providing education to tribal children. http://www.pradeepmetals.com/policies/
2.	Composition	Ms. Neeru P. Goyal - Chairperson Mr. Raj Kumar Mittal - Member # Mr. Suresh G. Vaidya - Member $ Mr. Jayavardhan Dhar Diwan - Member
3.	Average net profit of the Company for the last three financial years	Rs. 839.53 lakhs
4.	Prescribed CSR expenditure(Two percent of the amount mentioned in item 3 above)	Rs. 16.79 lakhs
5.	Details of CSR spent during the Financial Year a. Total amount to be spent for the financial Year b. Amount unspent, if any, c. Manner in which the amount spent during the financial year	 Rs. 12.59 lakhs Rs. 4.20 lakhs As per the table
6.	Reason for not spending the amount earmarked:	Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learnfrom on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For these reasons, during the year, the Company's spend on the CSR activities was less than the limits prescribed under Companies Act, 2013. Moving forward, the Company would endeavor to spend on CSR activities in accordance with the prescribed limit.

 # Resigned as a Director of the Company w.e.f. 29th August, 2017.
$ Appointed as a Member of Corporate Social Responsibility Committee w.e.f. 10th November, 2017.

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2017-18

(Rs. In lakhs)

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013)	Project or Program (1) Local Area or Other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (Budget) Project or program wise	Amount spent on the Projects or Programs Sub-Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure upto the reporting period i.e. FY 2017-18	Amount spent through Implementing Agency
1.	Indian Cancer Society	Health Clause(i)	Mumbai, Maharashtra	1.45	1.45	1.45	1.45
2.	Vidnyan Bharti Pune	Education Clause (ii)	Pune, Maharashtra	1.11	0.00	0.00	0.00
3.	Sanskruti Samvardhan Pratishthan	Education Clause (ii)	India	0.05	0.00	0.00	0.00
4.	Bombay South Rotary Charitable Trust	Education Clause (ii)	Mumbai, Maharashtra	0.01	0.00	0.00	0.00
5.	Akhil Bharatiya Vanvasi Kalyan Ashram	Schedule VII (vii)	Maharashtra	0.50	0.50	0.50	0.50
6.	Rotary Foundation (India)	Health Clause(i)	Maharashtra	0.64	0.64	0.64	0.64
7.	Bombay Rotary Club	Health Clause(i)	Mumbai, Maharashtra	0.10	0.00	0.00	0.00
8.	Friends of Tribals Society	Education Clause (ii)	Maharashtra	10.00	10.00	10.00	10.00
	Total			**13.86**	**12.59**	**12.59**	**12.59**

RESPONSIBILITY STATEMENT

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Pradeep Goyal
Chairman and Managing Director
DIN:00008370

Sd/-
Neeru P. Goyal
Chairperson, CSR Committee
DIN: 05017190

Place: Navi Mumbai
Date: 9th July, 2018

ANNEXURE E TO DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Pradeep Metals Limited,
R-205, MIDC Rabale,
Navi Mumbai - 400 701

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pradeep Metals Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period'), complied with the Statutory provisions listed hereunder and also that the Company has proper Board Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Shared based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period) and

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For Shweta Gokarn & Co.
Company Secretaries

sd/-
Ms. Shweta Gokarn
ACS-30393
C.P. No: 11001

Place: Navi Mumbai
Date: 25th April, 2018

Note: This report is to be read with our letter of even date which is annexed herewith and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

The Members,
Pradeep Metals Limited,
R-205, MIDC Rabale,
Navi Mumbai – 400 701

My report of even date is to be read along with this letter. This is to state that:

a. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.

c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

d. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

e. Wherever required, I have obtained and relied on the Management representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations of the Company.

f. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shweta Gokarn & Co.
Company Secretaries

sd/-
Ms. Shweta Gokarn
ACS-30393
C.P. No: 11001

Place: Navi Mumbai
Date: 25th April, 2018

ANNEXURE F TO DIRECTORS REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Not Applicable
2. **Details of material contracts or arrangement or transactions at arm's length basis :** Not Applicable

For and on behalf of Board of Directors

sd/-

Place: Navi Mumbai
Date : 9th July, 2018

Pradeep Goyal
Chairman and Managing Director
DIN : 00008370

ANNEXURE G TO DIRECTORS REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo required under the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

The Company has been regularly making measures to reduce energy usage and conserve natural resources. The schemes implemented in the past continue to reduce energy consumption.

The Company has now embarked on a project to reduce current consumption by reducing the harmonics in the supply system by using active harmonic filters.

Additionally, the Company is in process of introducing increased automation in one of its Heat Treatment furnace to increase efficiency and reduce energy consumption.

i. Steps taken by the Company for utilizing alternate sources of energy:

- The Company has invested in a 2.1 MW windmill to reduce carbon foot print.
- The Company has completely switched over to use of gas in place of liquid fuels resulting in lower costs and lower pollution.
- The Company has installed new recuperators on all furnaces which has further reduced the fuel consumption
- Technical feasibility study undertaken to install solar panels to tap solar energy. Commercial offers are being received which are under consideration.

ii. The capital investment on energy conservation equipments: Nil

B. TECHNOLOGY ABSORPTION :

1. **The efforts made towards technology absorption / development**:

(i) The Company's In-House R&D (IMRC) is recognized by the Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, New Delhi. Work done under this Centre are:

a) R&D efforts were further continued towards development of new microwave assisted technologies. One of these technologies, the microwave assisted process for rapid curing of resinoid grinding wheels received acceptance by US patent office as a novel process and granted patent number US 9,873,185 B2 on 23rd January, 2018, entitled "Rapid Curing of Resin Bonded Grinding Wheels". Efforts are being made for commercialization of this technology in India and abroad.

b) Apart from the above, efforts were focused on iron ore and mill scale reduction project for which PML signed an R&D Agreement with Chubu University of Japan. This project entitled "Development of Microwave Assisted Iron Making Process" was approved by Steel Development Fund (SDF) of Government of India in October 2014 with awarding partial grant from July 2016. The different modules of this plant were assembled in PML by PML staff. The prototype plant trials are being conducted for optimization of process parameters and the problems faced being tackled by doing suitable modifications in the system. Periodic review are conducted by SDF's Empowered Board Committee where they have expressed satisfaction on the progress of this project.

c) A new exploratory project was initiated where lead prepared by electrolytic process was melted using microwave technology to minimize environmental pollution and saving energy. Preliminary results were encouraging. This is one of the steps in effective recovery of lead obtained during reprocessing of used batteries.

(ii) In the field of forgings, efforts are continuously made to reduce the consumption of raw material by using software for designing the forging tools and using better production processes.

(iii) The Company is continuously developing new products for the customers. During the year, the Company has developed 226 new parts.

2. **The benefits derived like product improvement, cost reduction, product development or import substitution :**

The processes being developed in the field of Microwave are new and novel in concept. Monetary benefits will be derived through sale and application of technology subsequent to granting of patents. Advanced efforts are underway through contacting user industries for commercialization of the developed process. The new iron making process, which is of national importance and may prove to be a game changing technology in near future, is being looked as one of the flag-ship project of PML.

3. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

   a. **Details of technology imported:**
   Development of Microwave Assisted Iron Making Process is a joint R&D project of PML with Chubu University of Japan under which a new technology of iron making is being jointly developed for converting unusable fine iron ore, lying around Indian iron ore mines, to high cost sponge/pig iron. This process is expected to use only non-coking coal fines (coking process eliminated) and carbon is used only for reduction of iron oxide and not for producing heat for the process. It will reduce energy consumption together with reduction in green-house emission by almost 50%. The microwave assisted prototype plant was set-up at PML and trials are underway to optimize its process parameters in association with Chubu University researchers.

   b. **The year of import :** 2016-17

   c. **Whether the technology has been fully absorbed**-
   Under development (jointly with Chubu University)

   d. **If not fully absorbed, areas where absorption has not taken place and the reasons thereof:**
   As this technology and prototype plant design is the first of its kind in the world, no previous design and operation experience regarding it is available. Therefore, it requires a number of R&D activities to be undertaken to overcome design and operational obstacles as is evident from the experience of the last year.

4. The expenditure incurred on Research and Development.

   a. Capital Expenditure : Rs. 129.38 lakhs

   b. Recurring Expenditure : Rs. 15.80 lakhs

C. <u>Foreign exchange Earnings and Outgo</u>

	Amount
Foreign Exchange earned in terms of Actual Inflows	Rs. 7871.67 lakhs
Foreign Exchange outgo in terms of Actual outflows	Rs. 301.61 lakhs
a) Subsidiary Loan	Rs. 225.78 lakhs
b) Professional Fees	Rs. 19.23 lakhs
c) Logistics & Warehouse	Rs. 2.16 lakhs
d) Consumables	Rs. 28.32 lakhs
e) Currency	Rs. 26.12 lakhs

For and on behalf of Board of Directors

sd/-

Pradeep Goyal
Chairman and Managing Director
DIN : 00008370

Place: Navi Mumbai
Date : 9th July, 2018

ANNEXURE H TO DIRECTORS REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i)	CIN	L99999MH1982PLC026191
ii)	Registration Date	22nd January, 1982
iii)	Name of the Company	Pradeep Metals Limited
iv)	Category/ Sub-category	Company having Share Capital
v)	Address of the Registered office and contact details	R-205, MIDC, TTC Industrial Area, Rabale, Navi Mumbai 400 701 Contact Person: Mr. Harshad Babade Company Secretary & Compliance Officer Email: investors@pradeepmetals.com Tel no. +91-22-27691026
vi)	Whether listed company	Yes (Listed on BSE Limited)
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Maharashtra. Contact Person: Mr. Ajay Jadhav - Team Leader - Investor Relations Registry Email: ajay.jadhav@linkintime.co.in Tel no. +91-22-49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sr. No.	Name & description of main products/services	NIC Code of the product/service*	% to total turnover of the Company #
1	Components for Process Control Equipment	33130	39.49
2	Components for Valves	29121	39.45

**As per National Industrial Classification - Ministry of Statistics and Programme Implementation*

#On the basis of Gross Turnover

III. PARTICULARS OF HOLDING, SUBSIDAIRY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company	Address of Company	CIN/GLN	Holding/ Subsidairy/ Associate	% of Shares held	Applicable Section
1	Pradeep Metals Limited Inc.	6930, San Antonio Street, Houston, TX 77040 USA	N. A.	Wholly Owned Subsidiary	100%	2(87)(ii)
2	Dimensional Machine Works, LLC	6930, San Antonio Street, Houston, TX 77040 USA	N. A.	Wholly Owned Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters									
(1) Indian									
a) Individual/ HUF	24,96,327	0	24,96,327	14.45	24,96,327	0	24,96,327	14.45	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s).	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	99,72,542	0	99,72,542	57.74	99,72,542	0	99,72,542	57.74	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
SUB-TOTAL(A)(1)	12,468,869	0	12,468,869	72.19	12,468,869	0	12,468,869	72.19	0
(2) Foreign									
a) NRIs-Individual	0	0	0	0	0	0	0	0	0
b) Other-Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
SUB-TOTAL(A)(2)	0	0	0	0	0	0	0	0	0
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+(A)(2)	12,468,869	0	12,468,869	72.19	12,468,869	0	12,468,869	72.19	0
B PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	0	9,000	9,000	0.05	0	9,000	9,000	0.05	0
b) Banks/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s).	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	4,100	4,100	0.02	0	4,100	4,100	0.02	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
(i-i)Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(i-ii)UTI	0	0	0	0	0	0	0	0	0
SUB-TOTAL(B)(1)	0	13,100	13,100	0.08	0	13,100	13,100	0.08	0

Category of shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2 Non-institution									
a) Bodies Corporate									
i) Indian	96,647	88,300	1,84,947	1.08	73,932	88,300	1,62,232	0.94	-0.13
ii) Overseas Bodies Corporate	0	2,30,000	2,30,000	1.33	0	2,30,000	2,30,000	1.33	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to 1 Lakh	12,22,361	4,55,720	16,78,081	9.72	14,56,123	4,44,420	19,00,543	11.00	1.29
ii) Individual shareholders holding nominal share capital in excess of 1 Lakh	11,61,890	1,22,400	12,84,290	7.44	11,70,829	1,22,400	12,93,229	7.49	0.05
c) Other Non-Exec. Directors	9,12,300	0	9,12,300	5.28	6,94,300	0	6,94,300	4.02	-1.26
(c-i)Qualified foreign Investor	0	0	0	0	0	0	0	0	0
(c-ii)NRIs (Repat)	67,631	1,37,800	2,05,431	1.19	1,08,070	1,37,800	2,45,870	1.42	0.23
NRIs (Non-Repat)	26,850	0	26,850	0.16	19,719	0	19,719	0.11	-0.04
(c-iii)Clearing Member	34,656	0	34,656	0.20	31,188	0	31,188	0.18	-0.02
(c-iv)Shares held by subsidiary Companies on which no voting rights are exercisable	0	0	0	0	0	0	0	0	0
(c-v)Unclaimed Shares Suspense Account Clause 5A.II[2]	0	0	0	0	0	0	0	0	0
(c-vi)Trusts	1000	0	1,000	0	1,000	0	1,000	0	0
(c-ix)HUF	2,30,476	0	2,30,476	1.33	2,09,950	0	2,09,950	1.21	-0.11
SUB-TOTAL(B)(2)	37,53,811	10,34,220	47,88,031	27.72	37,65,111	10,22,920	47,88,031	27.72	0
TOTALPUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	37,53,811	10,47,320	48,01,131	27.81	37,65,111	10,36,020	48,01,131	27.81	0
C SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	**16,222,680**	**10,47,320**	**1,72,70,000**	**100.00**	**1,62,33,980**	**10,36,020**	**1,72,70,000**	**100.00**	

ii.) Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			
		No. of shares	% of total Shares of the Company	% of shares pledged/ encumbered To total shares	No. of shares	% of total Shares of the Company	% of shares pledged/ encumbered To total shares	Change in shareholding during the year
1	Rabale Engineering (India) Pvt. Ltd	61,67,481	35.71	0	61,67,481	35.71	0	0
2	S V Shah Construction Services Pvt. Ltd.	38,05,061	22.03	0	38,05,061	22.03	0	0
3	Mr. Pradeep Goyal	15,76,400	9.13	0	15,76,400	9.13	0	0
4	Mrs. Neeru P. Goyal	9,19,927	5.32	0	9,19,927	5.32	0	0
	Total	**1,24,68,869**	**72.19**	**0**	**1,24,68,869**	**72.19**	0	**0**

iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year				
	Date wise increase/ decrease in promoters shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/ sweat equity etc)	No Change			
	At the end of the year				

Inter-se Transfer among Promoters

There were no inter-se transfers among promoters during the period under review.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Increase/ Decrease in Shareholding @	Reason	Shareholding at the end of the year 31-03-2018	
		No. of shares at the Beginning of the year (01.04.2017)	% of total shares of the Company			No. of Shares	% of total shares of the Company
1.	Sudhir N	2,36,244	1.36	Decrease	Transfer	235,244	1.36
2.	Om Global Singapore PTE Ltd.	2,30,000	1.33	No Change	NA	230000	1.33
3.	Navinkumar Marwah	1,73,959	1.00	Decrease	Transfer	100	0.00
4.	Kalpana S	1,44,336	0.83	Increase	Transfer	1,44,436	0.84
5.	Navin Kumar Marwah (HUF)	1,00,498	0.58	Decrease	Transfer	100	0.00
6.	Ramesh Damani	87,100	0.50	No Change	NA	87,100	0.50
7.	Laxmi Devi Madangopal Damani	74,183	0.42	No Change	NA	74,183	0.42
8.	MLR Investors Pvt. Ltd.	70,000	0.40	No Change	NA	70,000	0.40
9.	Rajnish Rampaul Khanna	54,229	0.31	Decrease	Transfer	0	0
10.	Savita Aggarwal	50,000	0.28	No Change	NA	50,000	0.28

NOTES:

@ The shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative Shareholding at the end of the year 31.03.2018	
		No. of shares at the Beginning (01.04.2017) / end of the year (31.03.2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A.	DIRECTORS							
1.	Mr. Pradeep Goyal	15,76,400 15,76,400	9.13 9.13	01.04.17 31.03.18	- -	No movement during the year	15,76,400	9.13
2.	Mrs. Neeru P. Goyal	9,19,927 9,19,927	5.32 5.32	01.04.17 31.03.18	- -		9,19,927	5.32
3.	Mr. Omprakash Agarwal	13,300 13,300	0.07 0.07	01.04.17 31.03.18	- -		13,300	0.07
4.	Dr. Kewal Krishan Nohria	8,90,000 6,74,000	5.15 3.90	07.04.17 22.09.17 13.10.17 20.10.17 27.10.17 31.03.18	10,000 60,000 70,000 30,000 46,000	Market Sale Market Sale Market Sale Market Sale Market Sale	6,74,000	3.90
5.	Mr. Raj Kumar Mittal *	9,000 9,000	0.05 0.05	01.04.17 31.03.18	- -	No movement during the year	9000	0.05
6.	Mr. Suresh G. Vaidya	- -	- -	01.04.17 31.03.18	- -		0	0
7.	Mr. Jaidev Shroff	- -	- -	01.04.17 31.03.18	- -		0	0
8	Mr. Jayavardhan Dhar Diwan @	- -	- -	01.04.17 31.03.18	- -		0	0
9	Mr. Kartick Maheshwari @@	- -	- -	01.04.17 31.03.18	- -		0	0
10	Mr. Rakesh Agarwal **	- 100	- 0.00	01.08.17 31.03.18	100	Market Purchase	100	0.00
11	Ms. Suchita Singh #	- -	- -	01.04.17 31.03.18	- -	No movement during the year	0	0
12	Mr. Dilip Dalvi $	400 400	0.00 0.00	01.04.17 31.03.18	- -	No movement during the year	400	0
13	Mr. Harshad Babade ##	- -	- -	01.04.17 31.03.18	- -	No movement during the year	0	0

* Resigned as a Director of the Company w.e.f. 29th August, 2017.

@ Appointed as a Director w.e.f. 13th May, 2017.

@@ Appointed as a Director w.e.f. 10th November, 2017.

** Resigned as the Chief Financial Officer w.e.f. 12th May, 2018.

Resigned as the Company Secretary w.e.f. 21st February, 2018

$ Appointed as Deputy Chief Financial Officer w.e.f. 9th May, 2018.

Appointed as Company Secretary w.e.f. 9th May, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	8054.17	-	-	8054.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.64	-	-	7.64
TOTAL(i+ii+iii)	**8061.81**	**-**	**-**	**8061.81**
Change in Indebtedness during the Financial year				
Addition	1099.20	-	-	1099.20
Reduction	1762.67	-	-	1762.67
Net Change	**(663.47)**	**-**	**-**	**(663.47)**
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	7396.34	-	-	7396.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.00	-	-	2.00
TOTAL(i+ii+iii)	**7398.34**	**-**	**-**	**7398.34**

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager: (Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Pradeep Goyal Chairman and Managing Director	Total Amount
1	Gross salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	84.00	84.00
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	0.00	0.00
2	Stock Option	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.
4	Commission	N.A.	N.A.
	- as % of profit	N.A.	N.A.
	- others	N.A.	N.A.
5	Others	0.00	0.00
	TOTAL(A)	**84.40**	**84.40**
	Ceiling as per the Act	Company had sought approval of Central Government by making an application in terms of Section 196, 197 of the Companies Act, 2013 by filing e-form MR-2 vide SRN G59552299 on 1st September, 2017. In response to the said application, Company received a letter No. SRN.G59552299/2/2017-CL-VII dated 21st Dec. 2017 from Central Government stating that since the proposed remuneration is within the limits as prescribed under Schedule V of the Companies Act, 2013, revised vide Gazette Notification No. G.S.R.S.O.2922 (E) dated 12th September, 2016, the application made, being non-maintainable, has been closed and filed.	

B. Remuneration to other Directors:

(Rs. in Lakhs)

Particulars of Remuneration	Name of Directors								Total Amount
	Kewal Krishan Nohria	Raj Kumar Mittal	Suresh G. Vaidya	Omprakash Agarwal	Jayavardhan Dhar Diwan	Jaidev Shroff	Neeru P. Goyal	Kartick Mahesh-wari	
Independent Directors									
- Fee for attending Board/ committee meetings	-	0.40	1.00	-	0.65	0.10	-	0.15	2.30
Commission	-	-	-	-	-	-	-		-
Others	-	-	-	-	-	-	-		-
TOTAL (1)	**-**	**0.40**	**1.00**	**-**	**0.65**	**0.10**	**-**	**0.15**	**2.30**
Other Non- Executive Directors									
- Fee for attending Board/ committee meetings	0.95	-	-	0.45	-	-	0.40	-	1.80
- Commission	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-
TOTAL (2)	**0.95**	**-**	**-**	**0.45**	**-**	**-**	**0.40**	**0.15**	**1.80**
GRAND TOTAL (1+2)	**0.95**	**0.40**	**1.00**	**0.45**	**0.65**	**0.10**	**0.40**	**0.15**	**4.10**
Total Managerial Remuneration(A+B)	**84.40 #**								
Overall Ceiling as per the Act	**117.46**								

In terms of the provisions of Section 197(2) of the Companies Act, 2013, sitting fees paid to Non-Executive Directors are not considered in computation.

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Personnel other than MD/WTD/Manager #		Total Amount
		Rakesh Agarwal CFO *	Suchita Singh Company Secretary $	
1	**Gross salary**			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.00	6.98	39.98
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission - as % of profit	0 0	0 0	0 0
5	Others - Medical - Cars - Interest Concession on Loan	0 0 0 0	0 0 0 0	0 0 0 0
	TOTAL	**33.00**	**6.98**	**39.98**

Associated with the Company / position for part of the year.
* Resigned as CFO w.e.f. 12th May, 2018
$ Resigned as CS w.e.f. 21st February, 2018

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during the FY 2017-18.

For and on behalf of Board of Directors

sd/-
Pradeep Goyal
Chairman and Managing Director
DIN : 00008370

Place: Navi Mumbai
Date : 9th July, 2018

MANAGEMENT DISCUSSION & ANALYSIS

1. GLOBAL ECONOMY

The global economy presently is deeply impacted by the on-going Tariff War, hardening of US dollar, rising crude prices and imposition of sanctions on Iran by the United States Government. While full employment situation has emerged in the United States, inflation is raising its ugly head, resulting into hardening of interest rates globally. However, initiatives are being made to improve oil production in order to maintain oil prices at a reasonable level.

Global economic recovery has gathered pace with the world economy growing at 3.7% last year. WTO has forecasted that Global growth is expected to remain strong at 3.9% in the years 2018 and 2019.

2. INDIAN ECONOMY

Post demonetization of Indian currency in November, 2016, the Central and State Governments jointly introduced Goods & Services Tax (the GST) from 1st July, 2017. It was a major economic reform in terms of tax regime and has resulted into improvement in logistics and faster movement of goods. The multi-layered indirect tax regime has been done away with. It is expected that the GST regime will help in incremental growth of GDP by 1% to 2% in near future.

The Indian banking industry is struggling with the rising NPAs. The legislation of Insolvency and Bankruptcy Code is expected to speed up the recovery process, motivate the promoters for reasonable solutions and improve the health of banking system.

The Indian economy has grown by 6.7% in Financial Year 2017-18 inspite of initial hiccups due to introduction of GST. IMF expects India to grow at 7.4% in Financial Year 2018-19, making India as one of the fastest growing large economy in the world. The performance of the industry is constantly improving in terms of productivity and profitability and many organisations are firming up their capex plan.

Indian engineering exports have recorded significant growth of 16.8% in the last Financial Year 2017-18 and further growth of 16.5% in first two months of April and May, 2018. Engineering exports are expected to continue to grow with the support of the Government policies and opening new avenues.

3. BUSINESS ENVIRONMENT

Custom forging accounts for the largest segment of the forging business. Automobile, aerospace, defence, railways, agriculture, construction, mining, general industrial equipment, and material handling equipment are some of the major end-users of the forging products. The forging products are being increasingly used due to their reliability, strength and economic feasibility. Impression die forging method is one of the most dominant type of technology being used in the market and is also termed as closed die forging. This method is most widely used in commercial forging processes due to its extreme dimensional accuracy and fine surface finish. With the economic growth, faster industrialization, and rising demand for automobiles and consumer goods, forging industry can look to the future with the reasonable optimism.

4. BUSINESS SNAPSHOT

Pradeep Metals Limited (PML) generated 1.4 billion rupees in annual sales through its products ranging from intricate closed die stainless, alloy and carbon steel forgings as finished and semi-finished machined components. It has specialised in catering to custom made, small quantity orders where competition is very low. It has also developed art of supplying the products in 5 to 15 days from the receipt of the orders which helped the customers to keep low level of inventories at their end. Accordingly, PML continues to be preferred supplier to its customers.

It currently serves 3 major industry verticals:

- Instrumentation & flanges
- Valve Components
- General engineering

Major customers are located in India, USA, UK, Singapore, Sweden, Denmark, France, Germany, Mexico and Argentina.

PML uses state-of-the-art machinery with sophisticated tool-room equipment to manufacture its forgings and machined parts. It 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 fully integrated with complete facilities for inspection, testing, cutting, dies and tool making, forging, heat-treatment, finishing, machining, cleaning, surface treatment and assembly. PML continues to enhance its machining capacity and capabilities by adding CNC Turning Centers, Vertical Machining Centers (VMC) and other equipments to address the rising demand of finished machined components and sub-assemblies. In addition to in-house facilities, PML has also made significant effort and developed dedicated vendors for machining, to further enhance its machining capacity and capabilities.

Looking to the rising demand for machined components, PML has planned to set up a new machine shop within the existing plant by importing some of the machinery from its Step-down Subsidiary namely Dimensional Machine Works, LLC, Houston (USA). It continues to upgrade its plant and equipments and infrastructure, on regular basis.

PML uses its in-house metallurgical laboratory, process control, continuous improvement principles to manufacture quality products. The quality assurance systems have been approved by Global Original Equipment Manufacturers (OEMs) including nuclear grade and high-pressure equipment OEMs in Europe, USA and South East Asia. PML is certified to ISO 9001:2015 standards for twenty three consecutive years and Pressure Equipment Directive 97/23/EC (PED) for over thirteen years. PML continues to improve its capabilities to serve highly demanding markets to maintain our niche position in the industry. PML has been concentrating on exports for a long term and exports 65% to 70% of its finished goods. It has received ISO 14001:2015, OHSAS 18001:2007, Marine & Norsok certifications, etc which are available on the website of the Company.

5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Stand-alone financial performance of PML is summarized below:-

(Rs. in lakhs)

	FY 2017-2018	FY 2016-2017*	Change in %
Exports	8,679.87	7,569.82	14.66
Domestic Sales	5,419.15	4,761.99	13.80
Income from Windmill	182.31	222.86	(18.20)
Other Income	269.77	202.15	33.45
Total Income	14,551.10	12,756.82	14.07
Less: Excise Duty	91.26	418.87	@(78.21)
Net Income	14,459.84	12,337.95	17.20
EBITDA	2,209.63	1,761.84	25.42
Profit before tax and prior period adjustments	1,172.66	779.49	50.44
Profit after tax (before Other Comprehensive income)	819.34	515.07	59.07

* Figures for the FY 2016-2017 have been re-grouped in accordance with Indian Accounting Standards (IndAS).

@ Excise Duty was applicable upto 30th June, 2017. It's substituted by GST w.e.f. 1st July, 2017

- Total income (net of Excise Duty) has recorded a growth of 17.20% over the previous year. It is attributable to improvement in productivity, rising share of machined components and better sales realization during the year.
- Power generation and income from Windmill was lower during the year as it was (re)connected to State Electricity Grid on 7th May, 2017.
- Profit before taxes (before prior period items) for the year has improved by 50.44% and Profit after taxes by 59.07%. It has been possible due to astute production planning and control on the wastages and expenditure, wherever feasible.

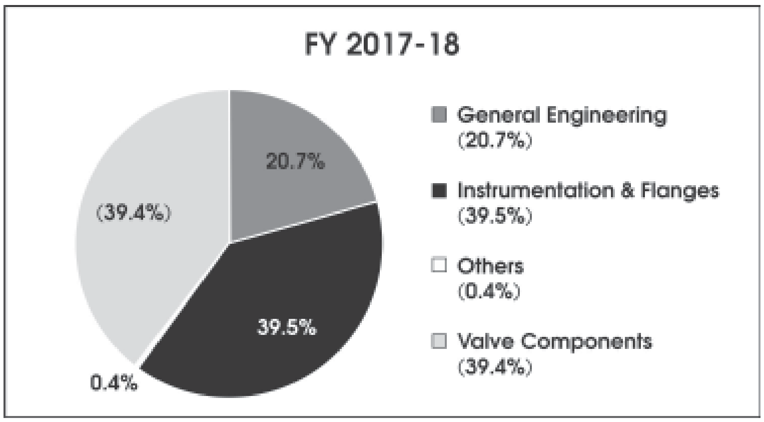
The performance of PML on consolidated basis and that of its subsidiaries has been described under Para 6 and 23 of the Board of Directors' Report.

The markets for forgings and machined products are improving due to revival of Global economy. PML continues to receive inquiries from its existing customers for development of new products and number of new customers have shown interest in starting business relationship. PML is also focusing on orders for machined components which are high value added products, thereby generating more contribution. Its SDS has also started catering to other industries in addition to shale oil industry in order to wider market base.

6. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Income from operations (net of Excise Duty) during the current year comprised of 98.72% of revenue from sale of its products and 1.28% of income from windmill.

The diagram chart below show the product mix and various industries served by PML:-



7. FUTURE OUTLOOK

PML is expecting improved demand from overseas as well as domestic customers. Its diversification into sectors such as Defence and Railways is expected to result in additional business. Its plan to add a new machine shop and a three Ton Hammer are also expected to meet the rising demand for the machined components.

PML's focus on niche OEM market continues to provide for long term success. It has developed many new components in the year 2017-2018 which is expected to result in improved business in the following years. It has also won several new e-auction bids for new locations of customers and commenced sales in the current financial year. PML has also started a drive towards further value addition by providing sub-assemblies to its esteemed customers. This will be the focus area in the coming years.

The environment in the country remains positive. PML is observing a slow and steady rise in the capital goods industry indicating new investments within India and as a result, an increase in domestic sales. The effort to develop new components in the basket of product-mix and to provide more value added machined components to the overseas customers is yielding further benefits. Barring any unforeseen factors, PML is expected to continue a steady growth in the coming years.

8. OPPURTUNITIES AND THREATS

Opportunities

- PML's core competence in catering to custom made, small quantity orders in short period of 5 to 15 days is strengthening relationship with the existing customers and opening new avenues.
- Levy of additional duties by the US Government on the Chinese products have opened new opportunities.
- Development of common platform for export market.
- Strong Domestic market including Defence, increased use of automation, increase in demand and timely supply.

- Positive impact of implementation of GST on PML and Forging industry.

Threats

- Rising energy, labour and consumables costs posing a threat to the Indian forging Industry.
- Need for smaller forging units to upgrade to global standards for their survival involving heavy capital investment.
- Threats from low cost global manufacturers with large capacities and introduction of automated processes by the resurgent Europeans and Americans, which are not affordable by low cost countries.
- Tariffs war impacting the international trade.
- Non-availability of skilled and qualified persons.

9. RISKS AND AREAS OF CONCERN

In today's dynamic business environment 'Risk Management' is an essential function to have a sustainable & effective business model in place. PML has a Risk Management Policy and implemented risk mitigation measures, wherever needed. The Audit Committee reviews the Risk Management Policy, monitors its implementation and initiates proper steps / actions. A discreet risk management framework has been developed and a careful approach is undertaken to identify and analyze internal and external risks and minimize their impact on operations. A comprehensive framework has been developed to identify, monitor and mitigate various risk elements in accordance with the risk management process.

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

PML has a sound internal control system, which ensures that (a) its financial reports are reliable, (b) its operations are effective and efficient, and (c) its activities comply with applicable laws and regulations. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by the Management. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations. Implementation of ERP will further strengthen the financial controls.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and tracks the implementation of corrective actions. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit reports are submitted to the Chairman of the Audit Committee. Audit Committee plays a key role in providing assurance to the Board of Directors.

11. HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT

The primary objective of Human Resource (HR) is to attract and retain talent with requisite competencies. Effective Human Resource Management enables employees to contribute effectively and productively to the overall company growth and the accomplishment of the organization's goals and objectives. The Human Resource Management of our organization deals with and provides leadership and advice for dealing with all issues related to the people in the organization. They also help in attaining maximum individual development, desirable working relationship. The Company provides in-house training to its employees and also sends them for obtaining training from various organizations.

PML has constituted Anti Sexual Harassment Committee and there is a policy in place, to address issues pertaining to female employees. The Company had a total of 284 permanent employees as on 31st March, 2018.

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, market conditions and other incidental factors.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance for the financial year ended 31st March, 2018 as per Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), in the prescribed format, is given as under:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Pradeep Metals Limited ('PML/the Company') is committed to the highest standards of Corporate Governance in all its endeavors by including 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.

➢ **GOVERNANCE STRUCTURE**

The Company's governance structure comprises of the Board of Directors and the Committees of Board of Directors which function on the Principles of Prompt Decision Making, Statutory Compliance, Accurate and Timely Disclosures, Transparency and Monitoring in order to create a value addition for its Stakeholders. In line with these principles, the Company has formed two tiers of Corporate Governance Structure, viz.

a) The Board of Directors

b) Committees of Board of Directors:

- The Company has adopted a Code of Conduct for its Board of Directors including Independent Directors and Senior Management personnel, which is on the website of the Company http://www.pradeepmetals.com/policies/
- The Company has complied with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of a fair combination of Executive, Non-Executive and Independent Directors with diverse professional background complying with the provisions of the Companies Act, 2013 and the Listing Regulations.

As on 31st March, 2018, the Company has 8 (Eight) Directors. Of the Eight Directors, 1(One) is Executive Director, 7(Seven) are Non-Executive Directors of which 4(Four) are Independent Directors. The Chairman of the Company is an Executive Director and also the Managing Director. Except Chairman and Managing Director and Independent Directors, all other Non-Executive Directors are liable to retire by rotation. The Board, in its meeting held on 10th November, 2017, appointed Mr. Kartick Maheshwari as an Additional Director, in the capacity of Independent and Non-Executive Director.

The Non-Executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of industry, business management, finance & taxation, etc. They take active part at the Board and Committee meetings by providing valuable guidance and expertise to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors which ultimately leads to the success of the Company. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act.

- **Composition and category of Directors**

Name of Director	DIN	Category		Number of Shares Held
Mr. Pradeep Goyal	00008370	Promoter Director	Executive Director / Chairman and Managing Director	15,76,400
Mrs. Neeru P. Goyal	05017190	Promoter Director	Non-Executive & Non-Independent Director	9,19,927
Dr. Kewal Krishan Nohria	00060015	Non-Promoter Director	Non-Executive & Non-Independent Director	6,74,000
Mr. Omprakash Agarwal	00022796	Non-Promoter Director	Non-Executive & Non-Independent Director	11,300
Mr. Suresh G. Vaidya	00220956	Non-Promoter Director	Non-Executive & Independent Director	Nil
Mr. Raj Kumar Mittal #	00020255	Non-Promoter Director	Non-Executive & Independent Director	9,000
Mr. Jaidev R. Shroff	00191050	Non-Promoter Director	Non-Executive & Independent Director	Nil
Mr. Jayavardhan Dhar Diwan *	01565319	Non-Promoter Director	Non-Executive & Independent Director	Nil
Mr. Kartick Maheshwari $	07969734	Non-Promoter Director	Additional Director (Non-Executive & Independent)	Nil

Resigned as Director of the Company w.e.f. 29th August, 2017.

* Appointed as an Additional Director (in the capacity of Independent Director) w.e.f. 13th May, 2017.

$ Appointed as Additional Director w.e.f. 10th November, 2017.

Notes:

a. Mr. Suresh G. Vaidya and Mr. Jaidev R. Shroff were appointed as Independent Directors for a period of 5 years from 31st AGM held on 4th September, 2014 till 36th AGM to be held in the year 2019 and they are not liable to retire by rotation. Mr. Jayavardhan Dhar Diwan was appointed as Independent Director for a period of 5 years with effect from 13th May, 2017 up to 12th May, 2022 and he is not liable to retire by rotation.

b. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Dr. Kewal Krishan Nohria retires by rotation and being eligible, offers himself for re-appointment.

- **Board Meetings**

- The Company holds regular Board Meetings. The detailed agenda along with the explanatory notes are circulated to the Directors well in advance. The Directors can suggest inclusion of any item(s) in the agenda at the Board Meeting.
- The Company held Four(4) Board Meetings during the financial year ended 31st March, 2018. The gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.
- During the FY 2017-18, information as mentioned in Schedule II Part A of the SEBI Listing Regulations has been placed before the Board for its consideration.
- The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company www.pradeepmetals.com
- In terms of Regulation 25 of the Listing Regulations and Schedule IV to the Companies Act, 2013, the Independent Directors met on 12th February, 2018, without the presence of Non-Independent Directors or Members of Management. The Independent Directors *inter-alia*, reviewed performance of Directors,

Chairman of the Company and Board / Committee.

- The Board periodically reviews the Compliance of all laws applicable to the Company.

➢ **Details of Board Meetings (BM) held during the year:**

Dates of Board Meeting	13.05.17	21.08.17	10.11.17	12.02.18
Boards Strength	8	8	8	8
No. of Directors Present	7	6	7	6

The Company Secretary acts as a Secretary to all Board Meetings.

➢ **Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting, Number of other Board Directorship or Committees in which a Director is a Member or Chairperson:**

Name of Director	Attendance in Board Meeting	Attendance in last AGM	Other Directorship and Committee Membership / Chairmanship				Relationships with other Directors
	Meetings held during the tenure/ Meetings Attended		Board Directorship *** (incl. Chairman-ship)	Board Chairman-ship ***	Committee Membership (incl. Chairman-ship) **	Committee Chairman-ship **	
Mr. Pradeep Goyal	4/4	Present	3	Nil	6	2	Husband of Mrs. Neeru P. Goyal
Mrs. Neeru P. Goyal	4/3	Absent	Nil	Nil	Nil	Nil	Wife of Mr. Pradeep Goyal
Dr. Kewal Krishan Nohria	4/4	Absent	7	5	4	0	-
Mr. Omprakash Agarwal	4/3	Present	Nil	Nil	Nil	Nil	-
Mr. Suresh G. Vaidya	4/4	Present	1	Nil	1	1	-
Mr. Raj Kumar Mittal #	2/2	Present	1	Nil	1	1	-
Mr. Jaidev R. Shroff	4/1	Absent	4	Nil	Nil	Nil	-
Mr. Jayavardhan Dhar Diwan*	3/3	Absent	1	Nil	1	Nil	-
Mr. Kartick Maheshwari $	2/1	NA	Nil	Nil	Nil	Nil	-

****Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act.*

*** Only Audit and Stakeholders' Relationship Committee of Indian Public Limited Companies have been considered for the Committee positions.*

Resigned as a Director of the Company w.e.f. 29th August, 2017.

$ Appointed as Additional Director w.e.f. 10th November, 2017.

* Appointed as an Independent Director w.e.f. 13th May, 2017.

NA - Not Applicable

➢ **Details of familiarisation programme of the Independent Directors**

During the FY 2017-18, the Company had organized two in-house familiarization programs for the Independent Directors, details of which are as under:

Sr. No.	Date of Programme	Area Covered	Duration
1	10th November, 2017	Major Amendments in Existing and Revised Secretarial Standards (SS-1 and SS-2).	2 Hours
2	12th February, 2018	Update on Companies Amendment Act, 2017	2 Hours

The details of familiarisation programs to the Independent Directors are also available on the website of the Company i.e. http://www.pradeepmetals.com/policies/

3. COMMITTEES OF THE BOARD

The Board has Four Committees as on 31st March 2018: Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility (CSR) Committee.

➢ **COMPOSITION OF COMMITTEES OF THE BOARD:**

Name of Director	Committees of the Board			
	Audit Committee	Nomination & Remuneration Committee	Shareholders'/ Investors' Grievance Committee	CSR Committee
Mr. Pradeep Goyal	-	-	-	-
Mrs. Neeru P. Goyal	-	-	-	Y (C)
Dr. Kewal Krishan Nohria	Y	Y	Y	-
Mr. Omprakash Agarwal	-	-	Y (C)	-
Mr. Suresh G. Vaidya	Y	Y	Y	Y
Mr. Raj Kumar Mittal #	Y (C)	Y	-	Y
Mr. Jaidev R. Shroff	-	-	-	-
Mr. Jayavardhan Dhar Diwan *	Y	Y (C)	-	Y
Mr. Kartick Maheshwari $	Y (C)	Y	-	-

(C) Chairman

Resigned as a Director of the Company w.e.f. 29th August, 2017.

$ Appointed as an Additional Director w.e.f. 10th November, 2017 and as Chairman of Audit Committee and Member of Nomination and Remuneration Committee w.e.f. 10th November, 2017.

* Appointed as an Independent Director w.e.f. 13th May, 2017.

4. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's Financial Reporting process with a view to ensuring accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

➢ **Brief description of terms of reference:**

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to the statutory auditors for any other services rendered them;

(iv) Reviewing, with the Management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
b. Changes, if any, in accounting policies and practices and reasons for the same.
c. Major accounting entries involving estimates based on the exercise of judgment by Management.
d. Significant adjustments made in the financial statements arising out of audit findings.
e. Compliance with listing and other legal requirements relating to financial statements.
f. Disclosure of any related party transactions.
g. Modified opinion in the draft audit report.

(v) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

(vi) Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Review and monitor the auditors' independence and performance and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of Internal Financial Controls and Risk Management Systems;

(xii) Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;

(xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up thereon.

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) To review the functioning of the whistle blower mechanism;

(xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(xxi) To review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.

The Audit Committee mandatorily reviews the following;

a. Management Discussion and Analysis of financial condition and results of operations;
b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
d. Internal Audit Reports relating to Internal Control Weaknesses;
e. The appointment, removal and terms of remuneration of the Chief Internal Auditor, if any.
f. Statement of deviations, if any;
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Powers of the Audit Committee

The Audit Committee has following powers:

(i) To investigate any activity within its term of reference.

(ii) To seek information from any employee.

(iii) To obtain outside legal or other professional advice.

(iv) To secure attendance of the outsiders with relevant expertise, if it is considered necessary.

- **Composition of Audit Committee (AC) and attendance of Members.**

Name of Director	Designation	Audit Committee Meetings (2017-18)			
		13.05.17	21.08.17	10.11.17	12.02.18
Mr. Raj Kumar Mittal #	Chairman	Present	Present	NA	NA
Dr. Kewal Krishan Nohria	Member	Present	Present	Present	Present
Mr. Suresh G. Vaidya	Member	Present	Present	Present	Present
Mr. Jayavardhan Dhar Diwan *	Member	NA	NA	Present	Present
Mr. Kartick Maheshwari $	Chairman	NA	NA	Present	*Absent*

Resigned as a Director of the Company w.e.f. 29th August, 2017.

* Appointed as an Independent Director w.e.f. 13th May, 2017 and Member of Audit Committee w.e.f. 10th November, 2017.

$ Appointed as Additional Director (in the capacity of Independent Director) and Chairman of Audit Committee w.e.f. 10th November, 2017.

NA - Not Applicable

The Company Secretary acts as a Secretary to all Audit Committee Meetings.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of the Listing Regulations, read with Section 178 of the Companies Act, 2013. The Company considers its human resources as its invaluable assets. The policy on remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013.

- **Brief description of terms of reference/ role:**

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

(ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

(iii) Devise a policy on diversity of Board of Directors.

(iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.

(v) Recommend to the Board the appointment or reappointment of Directors and whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation.

(vi) Periodical review of the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

(vii) Review HR Policies / Initiatives.

(viii) Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally, the Committee may also oversee the performance review process of the KMP and Executive team of the Company.

(ix) On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to Executive Team or Key Managerial Personnel of the Company.

(x) Providing of the following information to the shareholders in case of appointment of New Director or re-appointment of a Director:

a. Brief resume of the Director ;

b. Nature of expertise in specific functional areas ;

c. Disclosure of relationships between Directors *inter-se* ;

d. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board; and
e. Shareholding of Non-Executive Directors

(xi) Oversee familiarization programme for Directors.

(xii) Provide guidelines for remuneration of Directors on material subsidiaries.

(xiii) Performing such other duties and responsibilities in consistence with the regulatory requirements.

➢ **Composition of Nomination & Remuneration Committee (NRC) and Attendance of Members**

Name of Director	Designation	Nomination & Remuneration Committee Meetings (2017-18)		
		13.05.17	10.11.17	12.02.18
Mr. Jayavardhan Dhar Diwan *	Chairman	Present	Present	Present
Dr. Kewal Krishan Nohria	Member	Present	Present	Present
Mr. Raj Kumar Mittal #	Member	Present	NA	NA
Mr. Suresh G. Vaidya	Member	Present	Present	Present
Mr. Kartick Maheshwari $	Member	NA	Present	*Absent*

\# Resigned as a Director of the Company w.e.f. 29th August, 2017.

* Appointed as an Independent Director w.e.f. 13th May, 2017 and Chairman of Nomination and Remuneration Committee w.e.f. 14th May, 2017.

$ Appointed as Additional Director (in the capacity of Independent Director) and Member of Nomination and Remuneration Committee w.e.f. 10th November, 2017.

The Company Secretary acts as a Secretary to all Nomination & Remuneration Committee Meetings.

NA - Not Applicable

➢ **Performance evaluation criteria for Independent Directors**

Performance evaluation of all Directors (including Independent Directors) was done on the basis of a structured questionnaire prepared in line with the Guidance Note issued by the SEBI vide its circular dated 5th January, 2017.

6. REMUNERATION OF DIRECTORS

➢ **Remuneration to Chairman and Managing Director/Executive Director**

The remuneration to be paid to the Chairman and Managing Director/Whole-time Directors, etc. are governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee makes such recommendations to the Board of Directors, as it may consider appropriate with regard to the remuneration to Chairman and Managing Director, based on the performance of the Company. Although the profitability of the Company has improved during the year, the Incentive Pay to the Chairman and Managing Director for the year was not considered in order to conserve resources.

➢ **Remuneration to Non- Executive/ Independent Directors:**

The Non-Executive/Independent Directors receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

Pursuant to the provisions of earlier Clause 49(II)(C) of the amended Listing Agreement with BSE Limited and applicable provisions of the Companies Act, 2013, based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Members of Company, on 4th September, 2014, had accorded their consent for payment of commission to the Directors of the Company (other than the Directors who are either in whole time employment of the Company or belong to the Promoters' Group) annually for each of the five financial years commencing fromfinancial 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 Directorsof the Company may from time to time determine and in default of such determination equally. The payment of commission was to 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. However, in view of the need to conserve resources, commission/ incentive pay was not paid to the Directors during the financial year 2017-18.

An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

- **Pecuniary relationship or transactions of Non-Executive Directors**
  During the year under review, there was no pecuniary relationship and transactions of any Non-Executive Directors with the Company.
- **Details of remuneration to the Non-executive / Non-Independent / Independent Directors during the year 2017-18 are given below:**

(Amount in Rs.)

Name	Sitting Fees	Commission	Total
Mrs. Neeru P. Goyal	40,000	Nil	40,000
Dr. Kewal Krishan Nohria	95,000	Nil	95,000
Mr. Omprakash Agarwal	45,000	Nil	45,000
Mr. Suresh G. Vaidya	100,000	Nil	100,000
Mr. Raj Kumar Mittal #	40,000	Nil	40,000
Mr. Jaidev R. Shroff	10,000	Nil	10,000
Mr. Jayavardhan Dhar Diwan *	65,000	Nil	65,000
Mr. Kartick Maheshwari $	15,000	Nil	15,000

Resigned as a Director of the Company w.e.f. 29th August, 2017.
$ Appointed as Additional Director (in the capacity of Independent Director) w.e.f. 10th November, 2017.
* Appointed as an Independent Director w.e.f. 13th May, 2017

Note:
- The Company currently has no Stock Options for its Directors.
- In FY 2017-18, the Company did not advance any loans to any of the Directors.
- The Directors have decided not to take commission for the FY 2017-18.

- **Details of remuneration to the Chairman and Managing Director (CMD) during the year 2017-18 are given below:**

Name of the Director	Salary Rs.	Benefits Rs.	Incentive Pay	Total Rs.	Service Contract/ Notice Period/ Severance fees/ Pension
Mr. Pradeep Goyal	84,00,000	39,600	Nil	**8,439,600**	Re-appointed for a period of 3 years i.e. from 17th December, 2017 to 16th December, 2020.

Notes:
Company had sought approval of Central Government by making an application in terms of Section 196, 197 of the Companies Act, 2013 by filing e-form MR-2 vide SRN G59552299 on 1st September, 2017. In response to the said application, Company received a letter No. SRN.G59552299/2/2017-CL-VII dated 21st December, 2017 from Central Government stating that since the proposed remuneration is within the limits as prescribed under Schedule V of the Companies Act, 2013, revised vide Gazette Notification No. G.S.R.S.O.2922(E) dated 12th September, 2016, the application made, being non-maintainable, has been closed and filed.

7. SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE /STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders' / Investors Grievance Committee/Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Companies Act, 2013. The Board has constituted Shareholders' / Investors Grievance Committee/Stakeholders Relationship Committee consisting of 3 Directors of which 2 are Non-Executive / Non Independent Directors and 1 Independent Director, to look into redressal of grievances of shareholders, including complaints for transfer, transmission, non-receipt of declared dividends / annual report, etc. The Committee also looks into matters which can facilitate better investor's service and relations.

- **Composition of Committee**

Name of Director	Position
Mr. Omprakash Agarwal Dr. Kewal Krishan Nohria Mr. Suresh G. Vaidya	Chairman Member Member

The Company Secretary acts as a Secretary to all SIGC Meetings.

- **Compliance officer**

Name of the Compliance Officer	Mr. Harshad Babade, Company Secretary
Contact Details	Pradeep Metals Limited R-205, MIDC, Rabale, Navi Mumbai - 400701.
E-mail ID	investors@pradeepmetals.com

- **Details of Complaints:**

Number of Shareholders' Complaints received so far	Number not solved to the satisfaction of shareholders	Number of pending complaints
3	Nil	Nil

8. GENERAL BODY MEETINGS

Details of Annual General Meetings held in the three previous years and Special Resolutions passed there at:

Financial Year **Date and Time** **Venue**	2014-15 11th September, 2015 at 02.00 p.m. Monarch Banquets, Plot No. 110/111, MIDC, Rabale, Navi Mumbai - 400701	Adoption of new set of Articles of Association of the Company, in substitution for and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company
Financial Year **Date and Time** **Venue**	2015-16 29th September, 2016 at 03.00 p.m. Monarch Banquets, Plot No. 110/111, MIDC, Rabale, Navi Mumbai - 400701	No Special Resolution was passed at this AGM.
Financial Year **Date and Time** **Venue**	2016-17 21st August, 2017 at 03.00 p.m. Monarch Banquets, Plot No. 110/111, MIDC, Rabale, Navi Mumbai - 400701	Re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company and payment of remuneration for a period of 3 years w.e.f. 17th December, 2017 to 16th December, 2020.

- **Details of Special Resolutions put through Postal Ballot during last year along with voting pattern:**
  During the year under review, no resolution was passed through Postal Ballot.
- **Details of the Special Resolution proposed to be conducted through postal ballot:**
  The Company does not propose to pass any Resolution through postal ballot at the time of ensuing Annual General Meeting.

- **The Procedure for postal Ballot:**
  Not Applicable.

9. MEANS OF COMMUNICATION

- **Quarterly Results:**
  The quarterly, half yearly and yearly financial results of the Company are sent to BSE Limited where the shares of the Company are listed, immediately after they are approved by the Board.
- **Publication of quarterly results:**
  The quarterly, half yearly and annual results are published by the Company in the Marathi and English edition of Mumbai Lakshdeep and Financial Express respectively.
- **Website Disclosures:**
  The Company's website www.pradeepmetals.com contains all important public domain information and also the financial results of the Company.
- **Official News Releases on Website:**
  All financial and other vital official news releases are also communicated to the concerned stock exchange, besides being placed on the Company's website. The Company also publishes the Annual Report and shareholding pattern on its website http://www.pradeepmetals.com/reports.html
- **Presentation made to institutional investors or to the analysts:**
  The Company has not made any presentations to institutional investors or to the analysts during the year under review.

10. GENERAL SHAREHOLDER INFORMATION

1. **Day, Date, Time & Venue of Annual General Meeting:**

   The 35th General Meeting of the Members of Pradeep Metals Limited will be held at N.K. Mehra Memorial Hall, Thane Belapur Industries Association, P-14, MIDC, Opposite Rabale Railway Station, Rabale, Navi Mumbai 400701 on Tuesday, 14th August, 2018 at 3.00 p.m.

2. a. **Financial Year of the Company:** 1st April to 31st March every year.

   b. **Financial Calendar for FY 2018-19**

Results for the quarter ending:	To be published:
Q1 - June 30, 2018	On or before August 14, 2018
Q2 - September 30, 2018	On or before November 14, 2018
Q3 - December 31, 2018	On or before February 14, 2019
Q4 - March 31, 2019	On or before May 30, 2019

3. **Dividend Payment Date:**
   The Board has not recommended any Dividend for the FY 2017-18.
4. **Date of Book Closure:**
   Tuesday, 7th August, 2018 till Monday, 13th August, 2018 (both days inclusive).
5. **Listing on Stock Exchange:** The Equity Shares of the Company are listed on BSE Limited.The Company has paid Annual Listing Fee for the financial year 2018-19.
6. **Stock Exchange Code (Equity):**

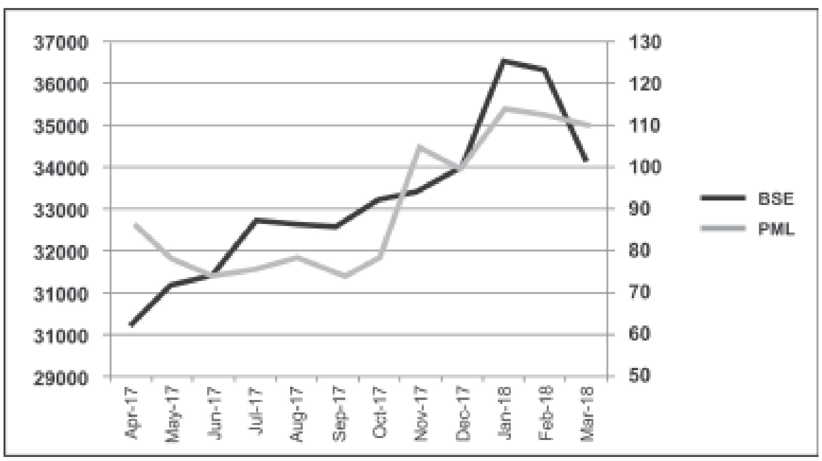
Stock Exchange	Scrip Code
BSE Limited (BSE)	513532

7. Stock Market price Data:

Table below gives the monthly high and low prices and volumes of trading of Equity shares of the Company at BSE Limited (BSE) for the year 2017-18:

Month	High Rs.	Low Rs.	Volume
April 2017	84.95	63.40	1,57,348
May 2017	76.50	65.00	1,12,905
June 2017	74.75	63.25	51,220
July 2017	75.35	61.05	36,756
August 2017	78.00	61.00	1,24,583
September 2017	73.00	57.00	3,18,778
October 2017	76.90	61.50	3,96,302
November 2017	104.90	66.85	7,95,361
December 2017	100.60	88.05	1,15,752
January 2018	114.40	89.20	3,17,336
February 2018	112.80	83.00	2,63,651
March 2018	110.00	86.60	1,54,670

8. Company's Performance in comparison to broad-based indices (BSE Sensex);



9. Registrar and Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (W), Mumbai 400 083.
Contact No.: 022 - 4918 6270; (Fax) 022- 4918 6060

10.Share Transfer System

Presently, the share transfers, which are received in physical form, are processed, registered and returned by the Registrar and Share Transfer Agents within 15 days from the date of receipt of documents, provided the documents are found in order. Shares under objection are returned within 15 days. The Company obtains from a Practicing Company Secretary a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the Compliance certificate with the BSE Limited.

11.Distribution of Shareholding as on 31st March, 2018

A. Distribution of shares according to size of holding

No. of Equity Shares held	No. of Shareholders	Share Amount (Rs)	% of Shareholding
Upto 500	5,117	74,60,880	4.32
501-1000	434	36,50,240	2.11
1001-2000	230	32,77,480	1.90
2001-3000	71	18,18,210	1.05
3001-4000	31	10,90,750	0.63
4001-5000	38	17,85,960	1.03
5001-10000	52	39,06,190	2.27
10001 and above	55	149,710,290	86.69
Total	**6,028**	**172,700,000**	**100.00**

B. Pattern of Shareholding by categories of shareholders

Category	No. of Shares	% of Total Shares
Promoters	12,468,869	72.20
Mutual Funds and UTI	9,000	0.05
Banks/FIs/Insurance Co. (Central/State Govt./ Non-Govt. Institutions)	0	0.00
Foreign Portfolio Investors	4,100	0.02
Corporate Bodies	3,71,418	2.15
Foreign Individual/ NRIs/OCBs	4,94,351	2.86
Clearing Members	20,722	0.12
Indian Public	39,00,540	22.59
Trust	1,000	0.01
Total	**17,270,000**	**100.00**

12.Dematerialization of shares and liquidity

Trading in equity shares of the Company on the Stock Exchange is permitted only in dematerialized form as per notification issued by SEBI.

Following are the details of shares held in Demat and Physical form:
Demat: 1,62,33,980 Equity Shares - 94% of Share Capital
Physical: 10,36,020 Equity Shares - 6 % of Share Capital

The Company's shares are among the regularly traded shares on BSE Limited.

13.Outstanding GDR, ADR or warrants or any convertible instruments

There are no outstanding instruments which are convertible into equity shares and resultantly, there is no impact on Equity Share Capital.

14.Plant Location

Pradeep Metals Limited,
R-205, 206, 207/1, MIDC, TTC Industrial Area, Rabale,
Navi Mumbai - 400701.

15.Address for Correspondence

Investor Correspondence for shares held in Physical Form

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (W), Mumbai - 400 083.
Contact No.: 022- 4918 6270; 022- 4918 6060
Email: rnt.helpdesk@linkintime.co.in

Investor Correspondence for shares held in Demat Form
To the Depository Participant(s)

For any query on Annual Report

Mr. Harshad Babade
Company Secretary,
Pradeep Metals Limited,
R-205, MIDC, Rabale,Navi Mumbai - 400701.
Tel No.: +91-22-27691026 Fax: +91-22-27691123
Email: investors@pradeepmetals.com
Website:www.pradeepmetals.com
CIN: L99999MH1982PLC026191

16.Legal proceedings

As on March 31, 2018, there were two pending disputes: One in respect of bonus payment to existing and retired workers for FY 2010-11 and another wrt NMMC Cess. (For details see Note 35(a)) of Standalone Financial Statement).

17.Unpaid / Unclaimed Dividend

Pursuant to IEPF (uploading of Information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of the date of last AGM viz. 21st August, 2017 on the website of the Company viz. www.pradeepmetals.com and also on the website of the Ministry of Corporate Affairs.

Amount of the unclaimed dividend, from the final dividend declared for FY 2010-11 by the Company, will be transferred to the Investor Education and Protection Fund (IEPF) on 3rd September, 2018 along with the shares on which dividend remains unclaimed for seven consecutive years as per Section 124 of the Act.

18.OTHER DISCLOSURES

a. **Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:**

The particulars of the transactions between the Company and related parties, as per the Accounting Standards, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc., are mentioned separately in Notes to Accounts - forming part of the Annual Accounts.

No transaction of material nature has been entered into by the Company with its promoters or Directors or Management or Relatives etc. that may have a potential conflict with the interest of the Company. All transactions with the Related Parties were in the ordinary course of business and at arm's length basis.

b. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years:**

There was no such instance in the last three years.

c. **Whistle-Blower Policy and confirmation that no person has been denied access to the Audit Committee:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and Employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy.

The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provisions for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower policy has been hosted on the website of the Company.

d. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with the mandatory requirements of Regulation 27 of the Listing

Regulations, which are detailed in the Annual Report. The Company has obtained a certificate from the Auditors certifying its compliance with the provisions of SEBI Listing Regulations 2015. This certificate is attached to the Annual Report for FY 2017-18.

e. **Web link where policy for determining 'material' subsidiaries is disclosed:**
The Company's investment in wholly owned subsidiary is falling within criteria prescribed in Regulation 23 of Listing Regulations, (including any statutory enactments/amendments thereof) in respect of material subsidiary. Below is the web link for policy adopted by Board for determining material subsidiaries: http://www.pradeepmetals.com/policies/

f. **Web link where policy on dealing with related party transactions:**
Below is the web link for policy adopted by Board on dealing with Related Party transactions: http://www.pradeepmetals.com/policies/

g. **Commodity price risk or Foreign exchange risk and hedging activities**
The Company avails Pre-Shipment Credit in Foreign Currency (PCFC), which is converted at the existing rate in Indian Rupees. Part of the Rupee term loans are also converted into Foreign Currency loans from time to time. The Company exports about 70% of its products and does not have any significant imports, there is enough natural hedge for the Foreign currency term loan payments falling due from time to time and hence no hedging is considered necessary.

Please refer to Notes 47 and 48 pertaining to "Disclosure in respect of derivative instruments" and "Foreign currency exposures that are not hedged by derivative instruments" respectively of the Standalone Financial Statement in this regard.

Commodity price risk is mitigated through following proper Costing Model and Price fixation matrix ensuring that raw materials are procured as per Production planning as well as contracts with Suppliers which may contain cap on prices for duration of the contract.

h. **Disclosure of the discretionary requirements as specified in Part E of Schedule II**

i. **The Board**
The Chairman of the Company is an Executive Director and his office with required facilities is provided and maintained by the Company.

ii. **Shareholder Rights**
As the Company's quarterly, half yearly and yearly results are published in an English newspaper and a Marathi newspaper and also displayed on the website of the Company www.pradeepmetals.com and disseminated to the Stock Exchange (BSE Limited) wherein the shares of the Company are listed, hence separately not circulated to the shareholders.

i. **Modified opinion(s) in audit report**
There are no modified opinions contained in the Audit report.

j. **Separate posts of Chairperson and Chief Executive Officer**
The Company will consider segregation of the post of the Chairman & CEO of the Company at appropriate time. Presently, Mr. Pradeep Goyal is the Chairman and Managing Director of the Company.

k. **Reporting of Internal Auditor**
The Internal Auditors report directly to the Audit Committee.

l. **The compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015:**
The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

m. **Secretarial Audit Report**
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, M/s. Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai (Certificate of Practice Number: 11001) has conducted Secretarial Audit of the Company. The Secretarial Auditors' Report for the financial year ended 31st March, 2018 forms part of the Annual Report. No adverse

comments have been made in the said Report.

n. Appointment of Deputy Chief Financial Officer of the Company.

Subsequent to the resignation tendered by Mr. Rakesh Agarwal, Chief Financial Officer of the Company, the Company appointed Mr. Dilip Dalvi as the Deputy Chief Financial Officer of the Company w.e.f. 9th May, 2018, for the purpose of compliance under the Act. Meanwhile, the Company is in the process of appointing CFO.

INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	Dr. Kewal Krishan Nohria	Mr. Omprakash Agarwal	Mr. Suresh G. Vaidya	Mr. Kartick Maheshwari
Director Identification Number	00060015	00022796	00220956	07969734
Date of Birth	4th October, 1932	25th March, 1940	1st April, 1939	15th February, 1981
Date of Appointment	11th September, 2015	21st August, 2017	4th September, 2014	10th November, 2017
Nationality	Indian	Indian	Indian	Indian
Qualification	B.E. (Elect.), D.Litt from BHU	B. E. Mechanical, Birla College of Engineering, Pilani	L.T.M. , B. Text.	LLM from University of Pennsylvania (Philadelphia) and BA, LLB (Hons) from National Law School of India University, Bangalore.
Expertise in Specific Functional Area	Technical and Management Expert with rich and prudent experience in Electrical and Electronics industry	Mr. Agarwal started his career over 50 years ago and has wide experience in the forging and engineering industry as well as in corporate marketing.	Technical & General Management Expert with wide experience in revival of sick units as well as managing the profit-making units	Mr. Maheshwari represents private equity firms, sovereign wealth funds and corporate strategic investors in a range of transactions in healthcare, real estate, financial services & consumer sectors. He has rich experience on strategic initiatives in listed companies from an inorganic growth and governance perspective.
No. of shares held in the Company	6,74,000 Equity Shares (3.90 %)	13,300 Equity Shares (0.07%)	Nil	Nil
Directorships held in other companies	▪ Accelya Kale Solutions Ltd ▪ Igarashi Motors Ltd. ▪ Jolly Board Ltd. ▪ Polymermann (Asia) Pvt. Ltd ▪ CG-PPI Adhesive Products Ltd. ▪ Maini Precision Products Pvt. Ltd. ▪ CTR Manufacturing Industries Ltd. ▪ Maini Materials Movement Pvt. Ltd.	▪ Economic Forge(P) Ltd ▪ Rabale Engineering India Pvt. Ltd. ▪ Dhanlabh Engineering India Pvt. Ltd.	▪ The Victoria Mills Limited	Nil

	▪ CoreEL Technologies (India) Pvt. Ltd. ▪ Grow Talent Company Ltd. ▪ Inspired Leadership Gurukul ▪ Net Creations Private Limited			
Chairperson/ members of the Committee of the Board of Directors of the Company	Member, Audit Committee Member, Nomination & Remuneration Committee Member, Stakeholder Relationship Committee	Chairperson - Stakeholder Relationship Committee	Member - Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee	Chairperson - Audit Committee, Member - Nomination & Remuneration Committee
Chairman/Member of the Committee of the Board of Directors of other public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	4	None	1	None
Relationship with other Directors	-	-	-	-
No. of Board Meetings attended	4	3	4	1

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR UNDER REGULATION 34 (3) READ WITH PARA (D) OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Pursuant to the provisions of Regulation 34(3) read with Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Board Members and Senior Management personnel of Pradeep Metals Limited have affirmed Compliance with the Code of Conduct for the period from 1st April, 2017 to 31st March, 2018.

For and On behalf of the Board of Directors
Pradeep Metals Limited

Sd/-
Pradeep Goyal
Chairman and Managing Director
(DIN: 00008370)

Date: 9th July, 2018
Place: Navi Mumbai

CEO / CFO CERTIFICATION

The Board of Directors,
Pradeep Metals Limited
R-205, MIDC, Rabale,
Navi Mumbai 400 701

Ref: Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with the 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 period which are fraudulent, illegal or in 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 internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such 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:

   1. Significant changes in internal control during the quarter/year ended 31st March, 2018;
   2. Significant changes in accounting policies during the quarter/year ended 31st March, 2018 and that the same have been disclosed in the notes to the financial statements; and
   3. Instances of significant fraud of which we 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 over financial reporting.

	Sd/-	Sd/-
	Pradeep Goyal	**Dilip Dalvi***
Date: 9th July, 2018	**Chairman and Managing Director**	**Dy. Chief Financial Officer**
Place: Navi Mumbai	(DIN: 00008370)	

** Mr. Dilip Dalvi was appointed as Dy. CFO of the Company w.e.f. 09th May, 2018 to perform the duties of CFO as per the Listing Regulations, 2015 and the Companies Act, 2013.*

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Pradeep Metals Limited

Report on the Standalone Indian Accounting Standards (Ind AS) financial statements

We have audited the accompanying standalone Ind AS financial statements of **Pradeep Metals Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income),the Statement of changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (together referred to as standalone Ind AS financial statements).

Management's responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statement that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statement based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted the audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs financial position of the Company as at 31st March 2018, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

Reference is invited to note 5.2 to standalone Ind AS financial statements. We are informed that in view of settlement of legal dispute in step down subsidiary (SDS) of wholly owned subsidiary (WOS), improved operational performance of WOS and SDS during the current financial year and management's expectation of further revival in the demand for the products in which WOS and SDS are dealing, it would enable to recoup the accumulated losses of WOS and SDS. Considering the above and based on management opinion, no provision for loan granted and diminution in the value of investment in WOS is required. The above matter was reported by us under Emphasis of Matter paragraph in the Independent audit report issued by us under the Companies Act, 2013 for the year ended 31st March 2017.

Our opinion is not modified in respect of above matter and was not modified in previous year also.

Other matters

The financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended 31st March 2017 and 31st March 2016 prepared in accordance with the Companies (Accounting standards) Rules, 2006 (as amended) which were audited by us and on which we expressed and unmodified opinion dated 13th May 2017 and 27th May 2016 respectively. These audited financial statements have been adjusted for transition to Ind AS.

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid standalone Ind AS financial statement comply with the Indian Accounting Standards specified under Section 133 of the Act.
e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B."
g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer note 35 to the financial statements
   ii. The Company did not have any long term contract including derivative contract for which there are any material foreseeable losses.
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 9th May, 2018

Annexure A to Independent Auditors' Report for the year ended 31st March 2018

[Referred to in 'Other legal and regulatory requirements 'of our report of even date]

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

b) The Company has physically verified all the fixed assets during the year.The company had a programme of physical verification in a phased manner over a period of three years. In our opinion, frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company which have been verified from photocopies of the agreements since the original documents are deposited with banks against credit facilities granted by them for which we have relied on certificate provided by the bank.

ii. The inventory (other than lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, confirmations have been obtained by the Company. In our opinion, the frequency of verification is reasonable. As per the information and explanation given to us, discrepancies noticed on physical verification were not material.

iii. The Company has granted loan to one company (wholly owned subsidiary) covered in the register maintained under Section 189 of the Companies Act, 2013. The Company has not granted loan to any other companies, firms, limited liability partnerships or other parties as listed in the said register.

(a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the party listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) In respect of loan granted, the repayment of principal was not due during the year and payment of interest is regular as stipulated.

(c) There are no overdue amounts in respect of the loan granted to party listed in the register maintained under section 189 of the Act.

iv. According to the information and explanation given to us, in respect of corporate guarantee, loan given and investment made in wholly owned subsidiary, the Company has complied with the provisions of Section 185 and Section 186 of the Act. There are no other transactions for which section 185 or section 186 needs to be complied with.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi. As per information and explanation given to us, maintenance of cost records in respect of closed dies forging and processing is prescribed for the Company pursuant to the Rules made by the Central Government under section 148(1) of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, goods and service tax, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, which have not been deposited with appropriate authorities on account of any dispute except demands raised for income tax aggregating to Rs.8,618,522 for financial years 2011-12, 2012-13 and 2013-14 under Income Tax Act, 1961. In respect of these demands, the Company has filed rectification application seeking to give credit of taxes paid and after rectification, no demand will be payable.

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the bank. The Company has not borrowed any money from financial institution, government and has not issued any debentures.

ix. The Company has not raised money by way of initial public offer or further public offer [including debt instruments]. As per information and explanations given and based on our verification, term loans raised by the Company are applied for the purpose for which those are raised. Hence there are no cases to report under this clause on delays or defaults and subsequent ratification.

x. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.

xi. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. The Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year. Therefore, question of our comment on compliance with provisions of Section 42 of Act does not arise.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore, clause (xv) of paragraph 3 the Order is not applicable.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 9th May, 2018

Annexure B to Independent Auditors' Report of even date on the standalone Ind AS financial statements of Pradeep Metals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In respect of inventory (recording of WIP and allocation of overheads) internal financial controls needs to be further strengthened to commensurate with the size of the Company and nature of its business. This matter was reported in earlier year also.

In our opinion, read with our comment with respect to inventory above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 9th May, 2018

Standalone Balance Sheet as at 31st March 2018

(Rs. in lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
I. Non-current assets				
Property plant and equipment	4	4,724.71	4,342.14	3,660.74
Capital work-in-progress	4.6	25.63	587.42	253.04
Intangible assets	4	66.93	61.67	68.30
Intangible assets under development	4.7	286.21	107.15	-
Investment in subsidiary	5	879.10	879.10	543.65
Financial assets				
(i) Investments-Others	6	0.05	0.05	0.05
(ii) Loans	7	230.83	2.68	5.31
(iii)Other non-current financial assets	8	51.31	109.93	49.74
Income tax assets (net)		175.37	154.14	157.11
Other non-current assets	9	401.25	419.84	508.65
		6,841.39	**6,664.12**	**5,246.59**
II. Current assets				
Inventories	10	2,764.78	2,470.68	2,943.81
Financial assets				
(i) Trade receivables	11	4,821.49	4,462.59	3,659.14
(ii) Cash and cash equivalents	12	120.00	189.47	5.99
(iii)Bank balances other than (ii) above	12	38.00	37.61	43.10
(iv)Other current financial assets	13	507.72	507.52	653.06
Other current assets	14	430.10	434.09	334.68
		8,682.09	**8,101.96**	**7,639.78**
TOTAL ASSETS		**15,523.48**	**14,766.08**	**12,886.37**
EQUITY AND LIABILITIES				
III. Equity				
Equity share capital	15	1,727.00	1,726.26	1,726.26
Other equity	16	3,504.60	2,693.23	2,202.47
TOTAL EQUITY		**5,231.60**	**4,419.49**	**3,928.73**
LIABILITIES				
IV. Non-current liabilities				
Financial liabilities				
Borrowings	17	1,854.76	1,462.97	1,179.06
Provisions	18	38.98	81.70	168.46
Deferred tax liabilities (Net)	19	472.60	433.07	349.29
		2,366.34	**1,977.74**	**1,696.81**
V. Government grant pending apportionment to profit & loss		**214.00**	**214.00**	**-**
VI. Current liabilities				
Financial liabilities				
(i) Borrowings	20	4,823.17	5,972.73	5,753.86
(ii) Trade payable	21			
- Due to micro and small enterprises		0.50	0.60	0.24
- Due other than to micro and small enterprises		1,398.19	855.19	556.15
(iii)Other current financial liabilities	22	1,247.54	1,101.55	829.41
Other current liabilities	23	41.63	46.00	24.26
Provisions	24	170.44	178.51	96.91
Current tax liabilities (net)		30.07	0.27	-
		7,711.54	**8,154.85**	**7,260.83**
TOTAL LIABILITIES		**10,291.88**	**10,346.59**	**8,957.64**
TOTAL EQUITY & LIABILITIES		**15,523.48**	**14,766.08**	**12,886.37**
Significant accounting policies & other notes	1 to 57			

Notes referred to herein above form an integral part of financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 9th May 2018

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended 31st March 2018

(Rupees in lakhs)

Particulars	Note No.	Year Ended 31st March 2018	Year Ended 31st March 2017
INCOME			
Revenue from operations	25	14,281.33	12,554.67
Other income	26	269.77	202.15
Total Income		**14,551.10**	**12,756.82**
EXPENSES			
Cost of material consumed	27	6,533.84	5,381.13
Changes in inventories of work-in-progress and scrap	28	(149.15)	(87.56)
Excise Duty (Upto June 2017)		91.26	418.87
Manufacturing expenses	29	2,916.84	2,819.51
Employee benefit expenses	30	1,770.24	1,590.31
Finance costs	31	621.32	550.04
Depreciation and amortization expense	4	415.65	432.31
Other expenses	32	1,178.44	872.72
Total Expenses		**13,378.44**	**11,977.33**
Profit / (loss) before tax		1,172.66	779.49
Tax expense			
- Current tax		423.35	237.35
- Deferred tax charge / (credit)		(79.49)	21.60
- Income tax, deferred tax and MAT credit of earlier years (net)		9.46	5.47
		353.32	**264.42**
Profit/ (Loss) for the year (A)		**819.34**	**515.07**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(losses) on defined benefit plans		(11.73)	(36.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.76	12.01
Total (1)		**(7.97)**	**(24.31)**
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total (2)		-	-
Other Comprehensive Income (1+2) (B)		**(7.97)**	**(24.31)**
Total Comprehensive Income (A+B)		**811.37**	**490.76**
Earnings per equity share			
(a) Basic (Face value of Rs. 10 each)	34	4.74	2.98
(b) Diluted (Face value of Rs. 10 each)		4.74	2.98
Significant accounting policies & other notes	1 to 57		

Notes referred to herein above form an integral part of standalone financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Place: Mumbai
Date: 9th May 2018

Standalone Cash Flow Statement for the year ended 31st March 2018

(Rupees in lakhs)

Particulars	Note	2017 - 2018 Rupees	2017 - 2018 Rupees	2016 - 2017 Rupees	2016 - 2017 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit/(loss) before taxation			1,172.66		779.49
Adjustments for:					
Depreciation and amortization (Net) (Refer note 4.2)		415.65		432.31	
Provision for doubtful debts/ other current assets utilised (net)		(2.60)		(8.82)	
Unrealised foreign exchange (gain)/loss (Net)		(71.73)		(77.52)	
(Profit)/loss on sale of fixed asset (net)		13.55		23.66	
Interest expenses		621.32		550.04	
Interest income		(29.99)		(8.83)	
			946.20		910.84
Operating profit before changes in assets and liabilities			**2,118.86**		**1,690.33**
Movements in working capital :					
[Current and Non-current]					
(Increase) / decrease in other assets and other financial assets		65.95		(12.51)	
(Increase) / decrease in inventories		(294.10)		473.13	
(Increase) / decrease in trade receivable		(253.40)		(782.38)	
Increase / (decrease) in trade payable, other liabilities, provisions and other financial liabilities		631.74	150.19	254.28	(67.48)
			2,269.05		**1,622.85**
Adjustment for:					
Direct taxes paid [including tax deducted at source](net of refund)			306.67		165.33
Net cash generated/ (used in) from operating activities...(A)			**1,962.37**		**1,457.53**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets (tangible / intangible)					
(Including capital advances and work in progress)		(521.10)		(1,522.13)	
Sale of fixed asset		0.05		8.48	
(Increase)/decrease in other bank balances and non-current assets					
[Other than cash and cash equivalent]		(0.39)		5.49	
Government grant received		-		214.00	
Investments made in wholly owned subsidiary		-		(335.45)	
Loan to wholly owned subsidiary		(228.11)		-	
Interest received		29.99		8.83	
		(719.56)		**(1,620.78)**	
Adjustment for:					
Direct taxes paid [including tax deducted at source]		0.07		0.06	
Net cash generated / (used in) from investing activities...(B)			**(719.63)**		**(1,620.84)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from long term borrowing		1,085.85		959.09	
Repayment of long term borrowing		(607.50)		(294.12)	
Increase/(decrease) in working capital loan (Net)		(1,169.65)		229.82	
Calls in arrears received		0.74		-	
Interest paid on loans		(621.65)		(547.99)	
Net cash generated / (used) from financing activities...(C)			**(1,312.21)**		**346.80**
Net increase / (decrease) in cash and cash equivalents...(A + B + C)			**(69.47)**		**183.48**
Cash and cash equivalents at the beginning of the year		189.47		5.99	
Cash and cash equivalents at the end of the year	12 & 53	120.00		189.47	
Net increase / (decrease) in cash and cash equivalents			(69.47)		183.48
Significant accounting policies & other notes	1 to 57				

Notes referred to herein above form an integral part of financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 9th May 2018

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Statement of changes in equity for the year ended 31st March 2018

(Rs. in lakhs)

Particulars	Equity share capital	Reserves and surplus (A)			Other Comprehensive Income (B)	Total Other Equity (A+B)
		Security Premium (refer note 16)	General reserves	Retained earnings		
for the year ended 31st March 2017						
Balance at 1st April 2016	1,726.26	515.98	211.60	1,474.89	-	**2,202.47**
Profit for the year	-	-	-	515.07	-	**515.07**
Remeasurements gains/(loss) on defined benefit plan	-	-	-	-	(24.31)	**(24.31)**
Balance as at 31st March 2017	**1,726.26**	**515.98**	**211.60**	**1,989.96**	**(24.31)**	**2,693.23**
for the year ended 31st March 2018						
Balance at 1st April 2017	1,726.26	515.98	211.60	1,989.96	(24.31)	**2,693.23**
Calls in arrears received	0.74	-	-	-	-	**-**
Profit for the year	-	-	-	819.34	-	**819.34**
Remeasurements gains/(loss) on defined benefit plan	-		-	-	(7.97)	**(7.97)**
Balance as at 31st March 2018	**1,727.00**	**515.98**	**211.60**	**2,809.30**	**(32.28)**	**3,504.60**
Significant accounting policies & other notes	1 to 57					

Notes referred to herein above form an integral part of standalone financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

For and on behalf of the Board of Directors of
Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Place: Mumbai
Date: 9th May 2018

Notes on standalone Ind AS financial statements for the year ended 31st March 2018

1. Background

Pradeep Metals Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company's shares are listed on Bombay Stock Exchange in India. The Company is engaged in the manufacturing and selling of forged and machined components for various sectors. The Company caters to both domestic and international markets. The registered office and manufacturing facility of the Company is located at Navi Mumbai. The Company's CIN is L99999MH1982PLC026191.

The financial statements were authorized for issue in accordance with a resolution of the Directors on 9th May, 2018.

2. Basis of preparation

2.1. Statement of compliance with Ind AS

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

For all periods up to and including the year ended 31st March 2017, the Company had prepared its standalone financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as "Indian GAAP"). These are the Company's first annual financial statements prepared complying in all material respects with the Ind AS notified under Section 133 of the Companies Act, 2013.

The standalone financial statements comply with Ind AS notified by the Ministry of Corporate Affairs ('MCA'). The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards''. The transition was carried out from Indian GAAP which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at 1st April 2016 and 31st March 2017 and on the net profit and cash flows for the year ended 31st March 2017 is disclosed in note 55 to these standalone financial statements.

2.2. Overall consideration

The standalone financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. These financial statements are prepared under the historical cost convention unless otherwise indicated.

The standalone financial statement has been prepared considering all Ind AS notified by MCA till reporting date i.e. 31st March 2018. The significant accounting policies used in preparing the financial statements are set out in note 3 of the notes to the standalone financial statement.

In accordance with Ind AS 101, "First time adoption of Indian Accounting Standard", the Company has presented three year figures for balance sheet, two years figures for statement of profit and loss, two years figures for statement of cash flows and two years figures for statement of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1, 'Presentation of Financial Statements' requires two comparative periods to be presented for the balance sheet only in certain circumstances.

2.3. Functional and presentation currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 - Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Company's financial position and performance.

ii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or (Cash Generating Unit) CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iv) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

v) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Company has recognised the deferred tax on unused tax losses / unused tax credits only to the extent of the corresponding deferred tax liability. Any increase in probability of future taxable profit will result into recognition of unrecognised deferred tax assets.

vi) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vii) Impairment of investment in subsidiaries

In the opinion of the management, investments in subsidiaries are considered long term and strategic in nature and in view of future business growth / asset base, the value of long term investments are considered good.Considering adverse factors which could severely affect the financial position, expansion plans and on consideration of prudence, provision is not made for impairment of such investment.

3. Significant Accounting Policies

3.1. Presentation and disclosure of standalone financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (Indian Accounting Standards) Rules, 2015.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months, however for the purpose of current/ non- current classification of assets and liabilities, period of 12 months have been considered as its normal operating cycle.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the property, plant & equipment under Ind AS.

Properties, plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction/ acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013, except for the plant and machinery as per the table given below, for which on the basis of internal technical assessment made by the management, the depreciation has been provided considering the useful life of the plant.

The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Particulars	Useful life
Machinery for heavy production/press/cranes etc.	15 Years
Dies	10 Years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Individual assets whose cost does not exceed five thousand rupees	Nil Depreciated fully in the year of capitalisation

The useful lives of the property, plant and equipment not covered in table above and are in accordance with schedule II are as follows:

Particulars	Useful life
Factory Building	30 Years
Electrical Installation	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture & fittings	10 Years
Motor Vehicles	8 Years
Windmill	22 Years

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Leasehold land considered as finance lease is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

3.3. Intangible assets and amortisation

Recognition and measurement

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the intangible assets under Ind AS.

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible Asset	Estimated useful life
(a) ERP Software	10 Years
(b) Other Software	3 Years

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.4. Research and development costs

Research costs are expensed as incurred. Development expenditures are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.5. Inventories

Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The cost of finished goods also includes excise duty wherever applicable.

Dies are valued at cost or net realizable value whichever is less. Cost includes material cost and labour cost. Costs are determined on specific identification basis.

Scrap is valued at net realizable value.

3.6. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

Sale of goods

Revenue from the domestic sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of shipping bills or bill of lading depending on the shipment terms. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Export incentives

Export incentives / benefits are recognised as income in Statement of Profit and Loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods/sale of license in open market.

Die design and preparation charges

Revenues from die design and preparation charges are recognized as per the terms of the contract as and when services are rendered.

Sale of electricity-Windmill

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.

Guarantee Commission

Income from guarantee commission is recognised as a percentage of guarantee given on annual basis.

Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders/board of directors approve the dividend as applicable.

Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

3.7. Investment in subsidiaries

The Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost for investment in subsidiaries, associates and jointly controlled entities. The Company's investment in instruments of subsidiaries are accounted for at costless accumulated impairment.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

3.9. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognised in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognised in statement of profit and loss or other comprehensive income is also recognised in statement of profit or loss or other comprehensive income respectively).

3.10. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

  a. Defined contribution plan

     The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b. Post-employment benefit and other long term benefits

The Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits and long service rewards. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Provision for casual leave is made on arithmetic basis.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

3.11. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.12. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

Finance lease - Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.14. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.15. Cash flow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.16. Provisions, contingent liabilities, contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.17. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the equity shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18.1.Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the

"Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not applicable if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18.2.Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

3.19. New standards issued but not effective and hence not adopted

The following standards issued / modified by MCA are effective w.e.f. 1st April 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1st April 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1st April 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1st April 2018
Ind AS 28 – Investments in associates and joint ventures	1st April 2018
Ind AS 40 – Investment property	1st April 2018
Ind AS 112 – Disclosure of interest in other entities	1st April 2018

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

The Company is assessing the potential impact of above amendments on the financial statements. Management presently is of the view that it would not have a material impact on the financial statements.

Notes on standalone financial statements for the year ended 31st March 2018

4 Property plant & equipment and intangible assets

4.1 Property plant & equipment and intangible assets as at 31st Mar 2018

(Rs. in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As At 1st April 2017	Additions	Sales / Discard	As at 31st March 2018	As at 1st April 2017	For the year	On Sales / Discard	As at 31st March 2018	As at 31st March 2018
Property plant & equipments (Tangible assets)									
Freehold land	56.70	-	-	56.70	-	-	-	-	56.70
Factory buildings (Refer note 4.5)	750.07	669.59	-	1,419.65	30.19	41.30	-	71.49	1,348.16
Plant and machinery	1,529.71	130.36	78.72	1,581.35	214.59	189.61	65.60	338.60	1,242.75
Microwave Machinery (R & D)	115.94	33.16	-	149.10	28.99	82.84	-	111.83	37.27
Windmill	1,224.11	10.61	-	1,234.71	55.25	55.63	-	110.88	1,123.83
Electrical installation	64.64	3.71	-	68.35	10.83	6.24	-	17.07	51.28
Office equipment	2.53	2.13	0.17	4.49	0.12	1.01	-	1.13	3.36
Computers	10.68	7.99	2.15	16.52	2.14	5.67	2.13	5.68	10.84
Furniture and fixtures	37.33	15.19	-	52.52	3.37	4.91	-	8.28	44.24
Vehicles	96.85	-	4.89	91.96	16.46	11.66	4.64	23.48	68.48
Dies	906.12	13.02	-	919.14	90.61	90.73	-	181.34	737.80
Sub-total (A)	**4,794.67**	**885.76**	**85.93**	**5,594.49**	**452.54**	**489.60**	**72.37**	**869.77**	**4,724.71**
Intangible assets (Other than internally generated) Software	70.42	14.15	-	84.57	8.75	8.89	-	17.64	66.93
Sub-total (B)	**70.42**	**14.15**	**-**	**84.57**	**8.75**	**8.89**	**-**	**17.64**	**66.93**
Total [(A) + (B)]	**4,865.10**	**899.91**	**85.93**	**5,679.05**	**461.29**	**498.49**	**72.37**	**887.41**	**4,791.64**

(Rupees in lakhs)

4.2 **Particulars**	**2017-18**	**2016-17**
Depreciation as per table 4.1 above	498.49	461.30
Less: Depreciation allocated to intangible assets under development	82.84	28.99
Net depreciation as per statement of profit & loss	**415.65**	**432.31**

4.3 Property plant & equipment and intangible assets as at 31st Mar 2017

(Rs. in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As At 1st April 2016	Additions	Sales / Discard	As at 31st March 2017	As at 1st April 2016	For the year	On Sales / Discard	As at 31st March 2017	As at 31st March 2017
Property plant & equipments (Tangible assets)									
Freehold land	56.70	-	-	56.70	-	-	-	-	56.70
Factory buildings (Refer note 4.5)	738.42	26.34	14.69	750.07	-	30.19	-	30.19	719.88
Plant and machinery	1,460.06	86.99	17.34	1,529.71	-	214.59	-	214.59	1,315.12
Microwave Machinery (R & D)	-	115.94	-	115.94	-	28.99	-	28.99	86.96
Windmill	1,224.11	-	-	1,224.11	-	55.25	-	55.25	1,168.86
Electrical installation	51.60	13.04	-	64.64	-	10.83	-	10.83	53.81
Office equipment	1.88	0.76	0.10	2.53	-	0.12	-	0.12	2.42
Computers	5.86	4.81	-	10.68	-	2.14	-	2.14	8.54
Furniture and fixtures	25.85	11.48	-	37.33	-	3.37	-	3.37	33.96
Vehicles	96.26	0.59	-	96.85	-	16.46	-	16.46	80.39
Dies	-	906.12	-	906.12	-	90.61	-	90.61	815.50
Sub-total (A)	**3,660.74**	**1,166.07**	**32.14**	**4,794.67**	**-**	**452.55**	**-**	**452.54**	**4,342.14**
Intangible assets (Other than internally generated) Software	68.30	2.12	-	70.42	-	8.75	-	8.75	61.67
Sub-total (B)	**68.30**	**2.12**	**-**	**70.42**	**-**	**8.75**	**-**	**8.75**	**61.67**
Total [(A) + (B)]	**3,729.04**	**1,168.18**	**32.14**	**4,865.10**	**-**	**461.30**	**-**	**461.29**	**4,403.83**

4.4 The Company has elected to continue with the carrying value of property, plant & equipments and intangible assets as recognised in financial statements as per Indian GAAP and regard those values as deemed costs on the date of transition i.e 1st April 2016.

4.5 Factory Building is constructed on Leasehold Land.

4.6 Movement of capital work in progress (Rupees in lakhs)

Particulars	2017-18			
	P & M	Building	Others	Total
Opening capital work in progress	-	587.42	-	**587.42**
Add: Addition during the year	116.34	96.72	-	**213.06**
Less: Assets capitalized/ reversed during the year	109.86	664.99	-	**774.85**
Closing capital work in progress	**6.48**	**19.15**	**-**	**25.63**

Particulars	2016-17			
	P & M	Building	Others	Total
Opening capital work in progress	3.00	229.70	20.34	**253.04**
Add: Addition during the year	73.03	377.81	119.71	**570.55**
Less: Assets capitalized / reversed during the year	76.03	20.09	140.05	**236.17**
Closing capital work in progress	**-**	**587.42**	**-**	**587.42**

Particulars	2015-16			
	P & M	Building	Others	Total
Opening capital work in progress	122.89	481.60	87.40	**691.90**
Add: Addition during the year	198.08	336.38	8.99	**543.45**
Less: Assets capitalized / reversed during the year	317.97	588.28	76.06	**982.31**
Closing capital work in progress	**3.00**	**229.70**	**20.33**	**253.04**

4.7 Movement of intangible assets under development (Rupees in lakhs)

Particulars	2017-18	2016-17	2015-16
Opening intangible under development	107.15	-	65.65
Add: Additions during the year (Refer note 4.8)	212.22	107.15	1.89
Less: Reversed during the year	33.16	-	-
Less: Intangible capitalized during the year	-	-	67.54
Closing capital work in progress	**286.21**	**107.15**	**-**

4.8 Details of direct expenses and allocated indirect expenses incurred for intangible assets under development during the financial year 2017-18 (Rupees in lakhs)

Particulars	FY 2017-18	FY 2016-17
Salary & Wages	50.05	13.16
Professional Fees	29.12	7.39
Repairs & Maintenance Expenses	22.22	10.22
Materials, Stores & Spares	14.72	35.67
Other Expenses	13.27	11.72
Depreciation	82.84	28.99
Total	**212.22**	**107.15**

4.9 Details of remaining amortization period and carrying value of intangible assets is as given below:

Description	Carrying amount as at (Rs. in lakhs)			Remaining useful life as at (months)		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Epicore software	50.45	56.78	63.10	88	100	112
Mastercam Mill 3D Purchase	8.26	-	-	33	-	-
HR Software	4.62	-	-	34	-	-
Other Softwares	3.61	4.89	5.20	11 to 24	11 to 24	11 to 24

4.10 Property plant & equipment and intangible assets as at 1st April 2016

(Rs. in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK
	As At 1st April 2015	Additions	Deductions	As at 31st March 2016	As at 1st April 2015	For the year	Deletions / Adjustments	As at 31st March 2016	As at 31st March 2016
Property plant & equipments (Tangible assets)									
Freehold land	56.70	-	-	56.70	-	-	-	-	56.70
Factory buildings (Refer note 4.5)	355.34	595.06	-	950.40	191.19	20.79	-	211.98	738.42
Plant and machinery	3,160.17	461.09	38.65	3,582.61	1,933.34	204.52	15.30	2,122.56	1,460.06
Wind mill	1,279.51	-	-	1,279.51	0.15	55.25	-	55.40	1,224.11
Electrical installation	162.36	35.29	-	197.65	131.98	14.07	-	146.05	51.60
Office equipment	18.34	1.52	-	19.86	13.06	4.92	-	17.98	1.88
Computers	33.37	7.29	-	40.65	26.38	8.41	-	34.79	5.86
Furniture and fixtures	15.83	17.34	-	33.17	4.91	2.41	-	7.32	25.85
Vehicles	76.87	78.88	4.64	151.11	45.99	13.27	4.40	54.86	96.26
Sub-total (A)	**5,158.49**	**1,196.47**	**43.29**	**6,311.66**	**2,347.00**	**323.64**	**19.70**	**2,650.94**	**3,660.74**
Intangible assets									
(Other than internally generated)									
Software	36.87	67.54	-	104.41	19.07	17.05	-	36.12	68.30
Sub-total (B)	**36.87**	**67.54**	**-**	**104.41**	**19.07**	**17.05**	**-**	**36.12**	**68.30**
Total [(A) + (B)]	**5,195.36**	**1,264.01**	**43.29**	**6,416.07**	**2,366.07**	**340.69**	**19.70**	**2,687.06**	**3,729.04**

4.11 First pari passu charge has been created on fixed assets of the Company (present and future) in respect of loans taken by the Company (Refer Note 17.1) and on fixed assets of the Company (excluding Windmill) in respect of foreign currency loan of USD 2.750 Million outstanding as on 31st March 2018 (Outstanding as on 31st March 2017 - USD 1.800 Million) (Outstanding as on 1st April 2016 - USD 2.000 Million) taken by Pradeep Metals Limited, Inc. (Wholly Owned Subsidiary) in USA from Union Bank of India, Hong Kong.

Notes on standalone financial statements for the year ended 31st March 2018

(Rupees in lakhs)

		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
5	**Investment in subsidiary** (At cost, unless otherwise specified)			
	Unquoted equity instruments (fully paid)			
	Investment in wholly owned subsidiary			
	Pradeep Metals Ltd Inc. USA 200 (As on 31st March 2017 : 200, as on 1st April 2016: 200) Shares of face value USD$. 25 each)	879.10	879.10	543.65
	Total	**879.10**	**879.10**	**543.65**

5.1 Out of above, 60 Shares are pledged with Union Bank of India, Hong Kong and non - disposal undertaking given to them in respect of balance 140 shares in connection with Foreign Currency Loan of USD 3.200 Million taken by Pradeep Metals Limited, Inc. USA (Outstanding as on 31st March 2018 - USD 2.750 Million) (Outstanding as on 31st March 2017 - USD 1.800 Million) (Outstanding as on 1st April 2016 - USD 2.000 Million).

5.2 In view of the settlement of dispute with the erstwhile JV Partner of the step-down subsidiary (SDS) of the Company during the year, SDS became the wholly owned subsidiary (WOS) of the WOS of the Company. The improved performance of the WOS and SDS during the year and revival of the demand for their products and considering that the investment made in WOS is of strategic nature, in the opinion of management, no provision for diminution in the value of investment in WOS and loan given is required as at 31st March 2018.

		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
5.3	Other disclosures of investment			
	Aggregate cost of unquoted investment	879.10	879.10	543.65
	Market value of unquoted investment	-	-	-
	Provision for diminution in value of investment	-	-	-
6	**Investments - Others** **(At cost, unless otherwise specified)**			
	Non current Investment			
	Unquoted equity instruments (fully paid)			
	TJSB Sahakari Bank Limited (100 (31st March 2017 : 100 and 1st April 2016: 100) shares of Rs. 50 each)	0.05	0.05	0.05
	Total	**0.05**	**0.05**	**0.05**
6.1	Other disclosures of investment			
	Aggregate cost of unquoted investment	0.05	0.05	0.05
	Market value of unquoted investment	-	-	-
	Provision for diminution in value of investment	-	-	-
7	**Loans** **Non-current** **(Unsecured, considered good unless otherwise stated)**			
	Loans to related parties (Refer Notes 38, 39 & 40)			
	Loan to wholly owned subsidiary	228.11	-	-
	Other loans			
	Loan to employees	2.72	2.68	5.31
	Total	**230.83**	**2.68**	**5.31**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016

7.1 No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person.

7.2 Loans are non derivative financial assets which generate fixed interest income for the Company. The carrying valve may be affected by changes in the credit risk of the counter party.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
8 Other non-current financial assets			
Security deposits	51.31	49.64	49.00
Deposit with bank (under lien)	-	-	0.74
Payment of cess under protest (Refer note 24.1)	-	60.29	-
Total	**51.31**	**109.93**	**49.74**

8.1 Bank deposits aggregating to Rs. Nil (As on 31st March 2017: Rs. Nil and as on 1st April 2016 : Rs. 0.74) are under lien with bank towards guarantees issued by bank.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
9 Other non-current assets			
(Unsecured, considered good unless otherwise stated)			
Capital advances	357.72	372.73	462.63
Prepaid expenses	2.63	5.61	3.92
Leasehold land	40.90	41.50	42.10
Total	**401.25**	**419.84**	**508.65**
10 Inventories (At lower of cost or net realisable value)			
Raw material - Steel	1,012.41	858.85	534.17
Raw materials (Dies)	103.11	107.86	83.08
Work-in-progress	1,517.98	1,374.66	1,296.33
Stores, spares and consumables	102.72	106.58	110.61
Dies	-	-	906.12
Scrap (At net realisable value)	28.56	22.73	13.50
Total	**2,764.78**	**2,470.68**	**2,943.81**
11 Trade receivables			
(Unsecured, considered good unless otherwise stated)			
Unsecured			
Considered good	4,821.49	4,462.59	3,659.14
Considered doubtful	0.94	3.54	12.36
	4,822.43	**4,466.13**	**3,671.50**
Less: Provision for doubtful debts	0.94	3.54	12.36
Total	**4,821.49**	**4,462.59**	**3,659.14**

11.1 No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

11.2 For details of outstanding receivables from related parties. (Refer note 38.3)

11.3 Trade receivables are non - interest bearing and are generally on terms of 30 to 270 days.

11.4 Trade receivable includes export bills aggregating to Rs.1,529.44 lakhs (31st March 2017: Rs.1,627.63 lakhs and 1st April 2016: Rs.1,271.44 lakhs) purchased / discounted by the bank but pending realisation as on the date of the Balance Sheet & disclosed under working capital (short term borrowing). The Company has transferred the relevant receivables to the discounting bank in exchange for cash.

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016

However, the Company has retained the late payment and credit risk.

11.5 Trade receivable includes Rs. Nil (31st March 2017 Rs. 0.35 lakh & 1st April 2016 Rs. 0.21 lakh) receivable from private Company having common director.

11.6 Refer note 44 for policy on expected credit loss

12 Cash and bank balances

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cash and cash equivalent			
Cash on hand	1.67	6.68	2.28
Balances with banks			
- In current accounts	15.54	4.56	3.71
- In fixed deposits	102.79	178.23	-
Total	**120.00**	**189.47**	**5.99**
Other bank balances			
- In fixed deposits (Refer note 12.2)	6.61	6.16	7.61
- Earmarked balances (on unpaid dividend account)	31.39	31.45	35.49
Total	**38.00**	**37.61**	**43.10**

12.1 Bank deposits earns interest at fixed rates.

12.2 Bank deposits aggregating to Rs. 6.61 lakhs (31st March 2017: Rs. 6.16 lakhs and 1st April 2016 : Rs.7.61 lakhs) are under lien with banks towards guarantees issued by bank.

13 Other current financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Sales tax refund receivable	118.35	298.05	502.98
Balance with government authorities	373.64	97.86	97.33
Recoverable from wholly owned subsidiary	10.17	6.75	43.40
Other receivables	5.56	4.86	9.35
- Compensation receivable from windmill Operator	-	100.00	-
Total	**507.72**	**507.52**	**653.06**

13.1 Break up of financial assets carried at amortised cost

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Loans (Refer note 7)	230.83	2.68	5.31
Other financial assets (Refer note 8 & 13)	559.04	617.44	702.80
Trade receivables (Refer note 11)	4,821.49	4,462.59	3,659.14
Cash & cash equivalents (Refer note 12)	120.00	189.47	5.99
Other bank balance (Refer note 12)	38.00	37.61	43.10
Total	**5,769.36**	**5,309.79**	**4,416.34**

13.2 Break up of financial assets carried at fair value through P&L

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Investments (Refer note 6)	0.05	0.05	0.05
Total	**0.05**	**0.05**	**0.05**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
14 Other current assets			
(Unsecured, considered good unless otherwise stated)			
Export incentive receivable			
- Considered good	215.37	268.76	248.33
- Considered doubtful	-	3.07	3.07
	215.37	**271.83**	**251.40**
Less: Provision for doubtful other current asset	-	3.07	3.07
	215.37	**268.76**	**248.33**
Advance to suppliers (other than capital advance)	18.93	14.71	2.20
Prepaid expenses	83.65	81.42	84.15
Amount recoverable from customers (Dies)	112.15	69.20	-
Total	**430.10**	**434.09**	**334.68**
15 Share capital			
15.1 Authorised capital			
Equity share capital			
18,500,000 (As on 31st March 2017 : 18,500,000 and as on 1st April 2016: 18,500,000) Equity Shares of Rs. 10 each	1,850.00	1,850.00	1,850.00
Preference share capital			
550,000 (As on 31st March 2017 : 550,000 and as on 1st April 2016: 550,000) Preference Shares of Rs.100 each	550.00	550.00	550.00
Total	**2,400.00**	**2,400.00**	**2,400.00**
15.2 Issued, subscribed and paid-up capital			
Issued			
17,270,000 (As on 31st March 2017 :17,270,000 and as on 1st April 2016: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00	1,727.00
Issued, subscribed and paid-up			
17,270,000 (As on 31st March 2017 :17,270,000 and as on 1st April 2016: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00	1,727.00
Less: Calls in arrear (other than directors/officers)	-	(0.74)	(0.74)
Total	**1,727.00**	**1,726.26**	**1,726.26**
15.3 Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year			
Shares outstanding at beginning of the year	17,270,000	17,270,000	17,270,000
Shares issued during the year	-	-	-
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	**17,270,000**	**17,270,000**	**17,270,000**

15.4 Equity Shares held by each shareholder holding more than 5% shares

Name of shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
S. V. Shah Construction Services Private Limited	3,805,061	22.03	3,805,061	22.03	3,805,061	22.03
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13	1,576,400	9.13
Rabale Engineering (I) Private Limited	6,167,481	35.71	6,167,481	35.71	6,167,481	35.71
Mrs. Neeru P. Goyal**	919,927	5.33	919,927	5.33	-	-
Mr. Kewal Krishan Nohria*	-	-	890,000	5.15	926,700	5.37

* as on 31st March 2018, holding is not more than 5% and hence figures are not disclosed.
** as on 1st April 2016, holding is not more than 5% and hence figures are not disclosed.

15.5 The Company has only one class of issued shares having a par value of R. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors shall be subject to the approval of the shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets ot the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.6 Shares held by holding company and /or their subsidiaries

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries.

16 Securities premium account

Securities premium account is used to record the premium on issue of equity shares. The same shall be utilised in accordance with the provisions of the Companies Act, 2013.

17 Borrowings (Long term)

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured			
Term loans			
From banks			
- Foreign currency loan [Refer note 17.1 (i) and 17.2]	1,693.33	1,013.31	785.62
- Rupee loan [Refer note 17.1 (i) and 17.2]	135.35	410.00	335.05
- Vehicle loan [Refer note 17.1 (ii) and 17.2]	26.08	39.66	58.39
Total	**1,854.76**	**1,462.97**	**1,179.06**

17.1 Details of security provided

(i) Term loans (Foreign currency loans & Rupee loans) are secured by charge on pari passu basis on fixed assets of the Company (present and future) and second charge on current assets. The loans are further secured by personal guarantee of Chairman and Managing Director of the Company.

(ii) Vehicle loan is secured against hypothecation of the vehicle against which the loan has been taken. The loan is further secured by personal guarantee of Chairman and Managing Director and one Director of the Company.

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016

17.2 Terms of repayment and maturity profile of the term loan is as set out below:

Borrowings			
Term loan - VII Repayable in 15 quarterly installments of Rs. 27.35 lakhs each starting from July 2014 and last installment paid on 29.01.2018 of Rs. 15.43 lakhs.	-	97.49	206.90
Term loan - VIII Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016. This loan was converted into foreign currency term loan VIII.	-	-	357.57
Term loan - X Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017.	35.35	63.25	-
Working Capital Term Loan (INR) Repayable in 17 quarterly installments of Rs. 30.00 lakhs each starting from September 2017.	100.00	500.00	-
Term loan XII Repayable in 20 quarterly installments of Rs. 18.00 lakhs each starting from June 2018.	63.67	-	-
Foreign currency term loan VIII Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016.	240.83	343.24	-
Foreign currency term loan IX Repayable in 21 quarterly installments of Rs. 50.00 lakhs each starting from January 2017.	764.81	754.59	835.61
Foreign currency term loan X Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017.	303.37	264.48	-
Foreign currency term loan XI Repayable in 20 quarterly installments (First ten installments of Rs. 20.00 lakhs each and next ten installments of Rs. 50.00 lakhs each) starting from June 2018.	705.47	-	-
Foreign currency - Working Capital Term Loan Repayable in 17 quarterly installments of Rs. 30.00 lakhs each starting from September 2017.	314.85	-	-
Vehicle loan Repayable in 60 equated monthly installment of Rs. 1.56 lakhs (including interest) each starting from February 2016.	44.82	58.39	70.69
Total	**2,573.17**	**2,081.44**	**1,470.77**

18 Provisions (long term)

Provision for employee benefits			
- Leave benefits [Refer note 51 (b)]	22.92	43.15	93.80
- Gratuity [Refer note 51 (a)]	16.06	38.55	74.66
Total	**38.98**	**81.70**	**168.46**

		(Rupees in lakhs)
	As at 31st March 2018	As at 31st March 2017
19 Income & deferred taxes		
The major components of income tax expense for the years ended 31st March 2018 & 31st March 2017 are as under:		
19.1 Statement of profit & loss		
Current income tax		
Current income tax charge	423.35	237.35
Deferred tax		
Relating to origination and reversal of temporary differences of current year	(79.49)	21.60
Relating to origination and reversal of temporary differences of previous year	9.46	5.47
Tax expense reported in the statement of profit & loss	**353.32**	**264.42**
19.2 Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI		
Net loss / (gain) on re-measurements of defined plans	3.76	12.01
Deferred tax charge/(credit)	**3.76**	**12.01**
19.3 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2017 and 31st March 2018		
Accounting profit before tax from operations	1,172.66	779.49
Applicable income tax rate	34.61%	33.07%
	405.83	257.76
- Donation & other disallowances	2.71	1.20
- Reversal of Deferred tax liability (net of deferred tax asset) on account of enacted rate of 29.12% considered as on 31st March 2018	(64.69)	-
- Income tax, deferred tax and MAT credit of earlier years (net)	9.47	5.46
Subtotal	**353.32**	**264.42**
At the effective income tax rate of	**30.13%**	**33.92%**
Tax expense reported in the statement of profit and loss	**353.32**	**264.42**

			(Rupees in lakhs)
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
19.4 Deferred tax liabilities (net)			
Deferred tax relates to the following:			
Differences in depreciation and amortization for accounting and income tax purposes	536.57	611.14	547.35
Provision for doubtful debts / advances	(4.58)	(2.19)	(10.06)
Provision for NMMC cess liability	(18.14)	(11.55)	-
Provision for employee benefits	(41.25)	(74.38)	(73.81)
Disallowance under section 43B of Income Tax Act, 1961	-	(27.70)	(45.31)
Sub-total	472.60	495.32	418.17
MAT credit entitlement	-	(62.25)	(68.88)
Net deferred tax liabilities	**472.60**	**433.07**	**349.29**
19.5 Reflected in the balance sheet as follows			
Deferred tax assets	(63.97)	(178.07)	(198.06)
Deferred tax liabilities	536.57	611.14	547.35
Deferred tax liabilities (net)	**472.60**	**433.07**	**349.29**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
19.6 Deferred tax expenses / (income)		
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	(74.57)	63.78
Provision for doubtful debts / advances	(2.39)	7.88
Provision for NMMC cess liability	(6.59)	(11.55)
Provision for employee benefits	33.14	(0.57)
Disallowance under section 43B of Income Tax Act, 1961	27.70	17.61
Net deferred tax charge/(credit) (refer note 19.7)	**(22.71)**	**77.15**
19.7 Reconciliation of deferred tax liabilities (net and excluding MAT credit entitlement)		
Opening balance	495.32	418.17
Tax income/(expense) during the period recognised in profit or loss	(79.49)	21.60
Reversal of tax income / (expense) during the period recognised in profit or loss in respect of previous year	60.54	67.56
Tax income/(expense) during the period recognised in OCI	(3.76)	(12.01)
Sub-total	**(22.71)**	**77.15**
Closing balance	**472.60**	**495.32**

19.8 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
20 Borrowings (Short term)			
Secured			
From bank			
Working capital loans [Refer note 20.1]			
- Cash credit (Repayable on demand)	872.20	1,772.12	1,951.33
- Packing credit (Repayable witin 180 days)	2,421.53	2,572.98	2,531.09
- Bills discounted (Repayable witin 30 to 270 days)	1,529.44	1,627.63	1,271.44
Total	**4,823.17**	**5,972.73**	**5,753.86**

20.1 Details of security provided on working capital loans

Working capital loans are secured by first charge on pari passu basis against hypothecation of stocks of semi-finished and finished goods, raw materials, consumable sores and spares (also refer note 10), book debts (also refer note 11) including biils discounted / purchased and second charge on its fixed assets. The loans are further secured by personal guarantee of Chairman & Managing Director of the Company.

21 Trade payables			
Trade payables (including acceptances)			
- Dues to micro & small enterprises [Refer note 21.1]	0.50	0.60	0.24
- Dues to other than micro & small enterprises (including related parties payables)	1,398.19	855.19	556.15
Total	**1,398.69**	**855.79**	**556.39**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016

21.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act], certain disclosures are required to be made relating to Micro and Small Enterprises. The Company has disclosed such information only to the extent received from suppliers about their coverage under the MSMED Act. Auditor's have relied on the same.

Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 20016 (MSMED, Act 2006)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Principal amount due to supplier under MSMED Act, 2006	0.50	0.60	0.24
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
Interest paid to supplier under MSMED Act, 2006 (other than section 16)	-	-	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-	-
Interest due to payable to suppliers under MSMED Act, 2006 for payments already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

21.2 Terms & conditions of the above financial liabilities:

Trade payables are non-interest bearing and are generally settled on 15 to 90 days terms

For details of balances outstanding of related parties, refer note 38.3)

22 Other current financial liabilities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current maturity of long term borrowings			
- Rupee loan	63.67	250.75	229.41
- Foreign currency loan	636.00	349.00	50.00
- Vehicle loan	18.73	18.73	12.30
Interest accrued but not due	2.00	7.64	5.58
Trade payable for capital goods	57.82	159.57	190.87
Unpaid dividend	31.39	31.45	35.49
Forward contract foreign currency payable (net)	-	0.64	-
Accrued expenses	321.23	183.50	220.40
Salary and wages payable	87.68	81.98	71.13
Other liabilities*	29.02	18.29	14.23
Total	**1,247.54**	**1,101.55**	**829.41**

*Other liabilities includes amount deducted from employees and payable to various authorities

22.1 Break up of financial liabilities carried at amortised cost

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Borrowings	6,677.92	7,435.69	6,932.92
Other financial liabilities	1,247.54	1,101.55	829.41
Trade payable	1,398.68	855.79	556.39
Total	**9,324.14**	**9,393.03**	**8,318.72**

23 Other current liabilities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances from customers	5.44	9.27	6.07
Statutory liabilities	36.19	36.73	18.19
Total	**41.63**	**46.00**	**24.26**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
24 Provisions (short term)			
Provision for employee benefits			
- Leave benefits [Refer note 51 (b)]	118.73	99.22	21.79
- Gratuity [Refer note 51 (a)]	49.71	44.08	32.98
Provision for contingency (Refer note 24.1)	2.00	35.21	42.14
Total	**170.44**	**178.51**	**96.91**

24.1 Movement of provision for contingencies

(Rupees in lakhs)

Particulars	Margin on sales return (a)	NMMC (b)	Provision for bonus (c)	Total (a+b+c)
Opening balance as on 1st April 2016	**0.89**	**15.00**	**26.25**	**42.14**
Add: Provision made	0.27	19.94	-	20.21
Less: Utilised / paid	0.89	-	-	0.89
Less: Write back	-	-	26.25	26.25
Closing balance as on 31st March 2017	**0.27**	**34.94**	**-**	**35.21**
Add: Provision made (net)	1.58	25.50		27.08
Less: Utilised / paid	-	60.29	-	60.29
Less: Write back	-	-	-	-
Closing balance as on 31st March 2018	**1.85**	**0.15**	**-**	**2.00**

Note :

Provision for contingency represents provision for (a) expected margin on sales return and (b) provision for disputed Navi Mumbai Municipal Cess ('NMMC'). In respect of (a) the outflow is expected to be within a period of one year. In respect of (b),the Company had paid Rs.60.29 lakhs under protest. During the year, Company has adjusted the payment under protest to the extent of expected liability though the outcome of appeal is pending to be received. Expected outflow of interest / penalty depends on outcome of the appeal filed.

Notes on standalone financial statements for the year ended 31st March 2018

		Year ended 31st March 2018	Year ended 31st March 2017
25 Revenue from operations			
Sale of products		12,363.28	11,141.86
Sale of services			
- Job work and tooling charges [Including Rs.58.65 lakhs (Previous year Rs. Nil) for compensation towards early termination of contract.]		171.96	27.44
	(A)	**12,535.24**	**11,169.30**
Other operating revenues			
- Export incentives		388.53	213.53
- Sale of electricity - windmill		182.31	122.86
- Scrap sales		1,167.17	948.98
- Sundry balances written back		8.08	-
- Compensation from windmill operator		-	100.00
	(B)	**1,746.09**	**1,385.37**
Total	**(A + B)**	**14,281.33**	**12,554.67**
26 Other income			
Interest income on			
- Fixed deposit		0.77	0.64
- Loans to wholly owned subsidiary		9.91	-
- Others		19.31	8.19
Guarantee commission recovered		15.48	27.00
Provision for contingencies written back (Refer note 24.1) (net)		0.03	26.86
Miscellaneous income*		10.09	19.04
Foreign exchange fluctuation - gain (Net)		214.18	120.42
Total		**269.77**	**202.15**

(Rupees in lakhs)

* Miscellaneous income includes sundry scrap & miscellaneous recoveries.

		Year ended 31st March 2018	Year ended 31st March 2017
27 Cost of raw materials consumed			
Inventory at the beginning of the year		858.85	534.17
Add : Purchases		6,687.40	5,705.81
		7,546.25	**6,239.98**
Less : Inventory at the end of the year		1,012.41	858.85
Cost of raw materials consumed		**6,533.84**	**5,381.13**
28 Changes in inventories of work-in-progress and scrap			
Inventory at the beginning of the year			
Work-in-progress		1,374.66	1,296.33
Scrap		22.73	13.50
	(A)	**1,397.39**	**1,309.83**
Inventory at the end of the year			
Work-in-progress		1,517.98	1,374.66
Scrap		28.56	22.73
	(B)	**1,546.54**	**1,397.39**
Total	**(A-B)**	**(149.15)**	**(87.56)**

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
29 Manufacturing expenses		
Dies expenses	200.77	140.07
Consumption of Stores & Spares	444.85	517.61
Other freight inward and other expenses	100.07	173.41
Cess Expenses (NMMC)	25.50	19.94
Power, fuel and water	726.99	630.97
Insurance expenses	62.51	63.47
Repairs and maintenance		
- Plant and machinery / Windmill	199.12	166.09
- Building	2.05	19.32
Contract labour expense	228.06	203.42
Job work expenses	846.04	810.22
Rent (Refer note 37)	80.88	74.99
Total	**2,916.84**	**2,819.51**
30 Employee benefit expense		
Salaries, wages and bonus (including managerial remuneration)	1,555.25	1,372.86
Contribution to provident and other funds	99.79	96.01
Gratuity expenses [Refer note 51 (a)]	45.86	37.64
Leave benefits [Refer note 51 (b)]	14.27	34.97
Workmen and staff welfare expenses	55.07	48.83
Total	**1,770.24**	**1,590.31**
31 Finance costs		
Interest on bank facilities	446.39	434.79
Other interest costs*	17.51	14.45
Bank charges	92.26	100.67
Premium on forward contract	2.91	0.13
Foreign exchange loss (attributable to finance cost) (Refer note 31.1)	62.25	-
Total	**621.32**	**550.04**

***Other interest costs includes interest paid to income tax authorities**

31.1 The foreign exchange loss relating to foreign currency term loans and working capital loans to the extent considered as an adjustment to the interest cost.

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
32 Other expenses		
Freight outward	626.84	427.06
Professional fees	175.86	137.13
Travelling and conveyance	84.06	91.65
Rates and taxes	56.75	24.54
Repairs and maintenance - Others	13.70	11.86
Payment to auditors	17.04	13.13
Directors sitting fees	4.10	4.60
Sundry balance written off	8.23	-
Provision for doubtful debts	-	3.54
Bad debts written off	17.89	19.50
Less: Provision for doubtful debts utilised	(2.60)	(12.36)
Corporate social responsibility expenses	12.59	17.22
Donation	1.54	0.30
Loss on sale and discard of fixed assets	13.55	23.66
Miscellaneous expenses*	148.89	110.89
Total	**1,178.44**	**872.72**

* Miscellaneous expenses includes office expenses, loss on sale of MEIS licences, printing , stationery, postage, security, selling, communication etc.

32.1 Payment to auditors		
As auditor:		
- Statutory audit fees	13.50	9.50
- Tax audit & Tax advisory	3.00	3.00
- Others (including certification fees)	0.50	0.50
- Towards reimbursement of expenses	0.04	0.13
Total	**17.04**	**13.13**

33 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below

(Rupees in lakhs)

Particulars	During the year ended March 31 2018	Tax	Net
Re-measurement gains (losses) on defined benefit plans	(11.73)	3.76	(7.97)
Total	**(11.73)**	**3.76**	**(7.97)**

Particulars	During the year ended March 31 2017	Tax	Net
Re-measurement gains (losses) on defined benefit plans	(36.32)	12.01	(24.31)
Total	**(36.32)**	**12.01**	**(24.31)**

(Rupees in lakhs)

		Year ended 31st March 2018	Year ended 31st March 2017
34 Earnings per equity share			
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders (in Rs. lakhs)	(A)	819.34	515.07
Denominator for basic EPS			
Weighted average number of equity shares for basic EPS	(B)	17,270,000	17,270,000
Denominator for diluted EPS			
Weighted average number of equity shares for diluted EPS	(C)	17,270,000	17,270,000
Basic earnings per share of face value of Rs.10/- each (in Rs.)	**(A/B)**	**4.74**	**2.98**
Diluted earnings per share of face value of Rs.10/- each (in Rs.)	**(A/C)**	**4.74**	**2.98**

35 Contingent liabilities

(a) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to financial statements. Details of contingent liabilities not provided for are given below:

(a) Letters of guarantee issued by bank	59.13	59.13
(b) Claim for Navi Mumbai Municipal Cess payable (net of provision for contingency)	-	25.36
(c) Claim against the Company not acknowledged as debts (Net)	26.25	26.25
(d) Corporate guarantees given for loans taken by Pradeep Metals Limited, Inc. Wholly Owned Subsidiary USD 3,200,000, (31st March 2017: USD 2,000,000). Maximum amount payable as per guarantee is USD 4,000,000 (31st March 2017: USD 2,400,000) Outstanding as on 31.03.2018 - USD 2,750,000 (31st March 2017: USD 1,800,000) In Rs.1,792.31 lakhs (31st March 2017: Rs.1,167.30 lakhs) (Refer Notes 4.10 & 5.1) #	2,085.60	1,297.00

Converted in INR at exchange rate of year end i.e. Rs. 65.175 (31st March 2017: Rs. 64.85, 1st April 2016: Rs. 66.26)

(i) In respect of (a) and (d) above, the Company does not expect any cash outflow till such time contractual obligations are fulfilled.

(ii) In respect of (b) and (c) above, future cash out flows (including interest / penalty) are determinable on receipt of judgments from tax authorities / labour court.

(iii) In respect of (b) above, during the year, the Company has adjusted the payment made under protest of Rs. 60.29 lakhs against the provision made of Rs.60.44 lakhs (31st March 2017: Rs.34.94 lakhs). The hearing for appeal is under progress. Cash outflow for interest and penalty can be determined only upon the outcome of the appeal.

(b) The Company had received order under Income Tax Act for Assessment Year 2015-16 in earlier year as per which the department has withhold refund to the extent of credit of dividend taxes paid. In this regard, the Company had filed rectification application for the same. The Company does not expect any demand from tax department and hence not treated as contingent liability.

36 Capital and other commitments

Capital commitment for tangible assets (net of advance paid) - Rs. 413.18 lakhs (31st March 2017 : Rs. 436.96 lakhs, 1st April 2016: Rs. 669.66 lakhs). There are no other commitments. Capital commitment for intangible assets (net of advance paid) - Nil (31st March, 2017: Rs. Nil, 1st April, 2016: Rs. Nil)

37 Disclosure of lease - Operating leases

Company as lessee:

The Company has taken factory premises and machinery under operating lease basis. Agreement for factory premises is non-cancellable and machinery is cancellable. Rent incurred with respect to cancellable operating lease (machinery) is Rs. 56.88 lakhs (31st March 2017: Rs. 50.99 lakhs). With respect to non-cancellable operating lease arrangement (factory premises), rent for the year and the future minimum lease payments is as under:

(Rupees in lakhs)

Particulars	**Year ended 31st March 2018**	**Year ended 31st March 2017**
Lease rent expenses debited to statement of profit and loss [Refer note 29]	24.00	24.00
Future lease rent payable		
- Not later than one year	4.00	24.00
- Later than one year and not later than five years	-	4.00
- Later than five years	-	-
- Contingent rent payable	-	-

38 Related party disclosure

38.1 Name of the related parties and related party relationship

Description of relationship	**Name of the Related Party**
Director / Key management personnel (KMP)	Mr. Pradeep Goyal, Chairman & Managing Director
Relatives of key management personnel	Neeru P. Goyal (Wife of KMP, also director in the Company) Abhinav Goyal (Son of KMP)
Subsidiary	Pradeep Metals Limited Inc., USA
Step down subsidiary	Dimensional Machine Works LLC, USA
Enterprises owned or significantly influenced by key management personnel or their relatives	Dhanlabh Engineering Works Private Limited Economic Forge Private Limited
Enterprise having significant influence over the Company	S.V. Shah Constructions Services Private Limited Rabale Engineering (I) Private Limited

Note: Designated Key Managerial Personnel as required by Section 2013 of the Compnaies Act, 2013 are not considered to be Key Management Personnel (Related party) for the purpose of disclosure under Ind AS 24.

38.2 Related party transactions

(Rupees in lakhs)

Name of the related party	**Nature of the Transaction**	**Year ended 31st March 2018**	**Year ended 31st March 2017**
Dhanlabh Engineering Works Private Limited	Labour charges paid	65.16	50.85
	Purchase	-	0.93
	Sales	0.92	2.47
	Rent expenses	29.27	28.68
	Electricity charges (Reimbursement)	17.81	13.53
Economic Forge Private Limited	Labour charges paid	-	0.34
Pradeep Metals Limited Inc., USA	Sales	1,923.80	941.49
	Guarantee commission recovered	15.48	27.00
	Loan given	228.11	-
	Interest on loan	9.91	-
	Investment made	-	335.45
	Corporate guarantee given #	782.10	-
Neeru P. Goyal	Sitting fees paid	0.40	0.45
Pradeep Goyal	Managerial remuneration payable*	84.00	84.00

* Does not include gratuity and leave encashment since the same is considered for all employees (including the above KMPs) of the Company as a whole and also does not include reimbursement of expenses.

38.3 Balance outstanding as at the year end

(Rupees in lakhs)

Name of the related party	Nature of outstanding	Year ended 31st March 2018	Year ended 31st March 2017	As on 1st April 2016
Pradeep Metals Limited Inc., USA	Trade receivable	1,598.83	846.30	441.57
	Reimbursement of expenses receivable	-	-	17.80
	Guarantee commission recoverable	6.03	6.75	25.60
	Loan given	228.11	-	-
	Interest on loan receivable	4.14	-	-
	Investment	879.10	879.10	543.65
	Corporate guarantee outstanding #	2,085.60	1,297.00	1,325.10
Economic Forge Private Limited	Trade payable	-	-	0.84
Dhanlabh Engineering Works Private Limited	Trade payable	15.46	12.17	8.41
	Trade receivable	-	0.35	0.21
Pradeep Goyal	Managerial remuneration	3.90	2.65	6.90

Converted in INR at exchange rate of year end i.e. Rs. 65.17 (31st March 2017: Rs. 64.85, 1st April 2016: Rs. 66.26)

Note: In addition to above transactions, Chairman and Managing Director of the Company has given personnel guarantee for loan facilities taken by the Company, No guarantee charges are payable by the Company (Refer note 17.1 & 20.1)

38.4 Outstanding balances at the year end are unsecured with a short term duration and interest free. For the year ended March 31, 2018 the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2017 : Nil, April 1, 2016 : Nil). This assessment is undertaken in each financial year through examining the financial position of the related party & the market in which the related party operates.

38.5 All transactions were made on normal commercial terms and conditions and at market rates.

39 Loans and advances in the nature of loans given to subsidiary

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Pradeep Metals Limited, Inc			
Balance outstanding	228.11	-	-
Maximum amount outstanding during the year	228.11	-	-

40 Disclosures required under sec. 186(4) of the Companies Act, 2013

(Rupees in lakhs)

Name of the borrower	Purpose	Rate of Int. p.a.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Pradeep Metals Limited, Inc.	General corporate /Business purpose	LIBOR + 3.50%	228.11	-	-

41 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2018, other than those with carrying amounts that are reasonable approximates of fair values:

(Rupees in lakhs)

Particulars	Carrying value			Fair Value		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i) Investments	0.05	0.05	0.05	0.05	0.05	0.05
(ii) Loans	230.83	2.68	5.31	230.83	2.68	5.31
(iii) Other non-current financial assets	51.31	109.93	49.74	51.31	109.93	49.74
(iv) Trade receivables	4,821.49	4,462.59	3,659.14	4,821.49	4,462.59	3,659.14
(v) Cash and cash equivalents	120.00	189.47	5.99	120.00	189.47	5.99
(vi) Bank balances other than (ii) above	38.00	37.61	43.10	38.00	37.61	43.10
(vii) Other current financial assets	507.72	507.52	653.06	507.72	507.52	653.06
Total financial assets	**5,769.41**	**5,309.85**	**4,416.39**	**5,769.41**	**5,309.85**	**4,416.39**
(i) Borrowings (Non-current)	1,854.76	1,462.97	1,179.06	1,854.76	1,462.97	1,179.06
(ii) Trade payable	1,398.68	855.79	556.39	1,398.68	855.79	556.39
(iii) Other current financial liabilities	1,247.54	1,101.55	829.41	1,247.54	1,101.55	829.41
(iv) Borrowings (Current)	4,823.17	5,972.73	5,753.86	4,823.17	5,972.73	5,753.86
Total financial liabilities	**9,324.14**	**9,393.04**	**8,318.73**	**9,324.14**	**9,393.04**	**8,318.73**

The management assessed that the fair value of cash and cash equivalent, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

42 Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

b) Defined benefit plans & other long term benefits

The cost of the defined benefit gratuity plan and other long term benefit and the present value of the gratuity obligation and leave benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 48 for further disclosures.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f) Provision for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving inventories has been made in the financial statement.

43 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company had used foreign exchange forward contracts to manage repayment of some of its foreign currency denominated borrowings in the past. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings. However, considering that the Company has a natural hedge in the form of exports receivables, the Company does not book foreign exchange forward contracts.

44 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee (RMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The RMC provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by experienced members from the senior management who have the relevant expertise, appropriate skills and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and short-term debt obligations with floating interest rates.

The Company generally converts its borrowings in Foreign Currency, considering natural hedge it has against its export. All foreign currency debt obligations carry floating interest rates.

Interest rate sensitivity

The Company's total interest cost the year ended March 31, 2018 was Rs.616.01 lakhs and for year ended March 31, 2017 was Rs.550.04 lakhs. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	Effect on PBT and equity (Rs. In Lakhs)
March 31 2018	50	31.46
March 31 2017	50	27.53

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and long term foreign currency borrowings.

The Company manages its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and Company keep its long term foreign currency borrowings un-hedged which will be natural hedge against its un-hedged exports. The Company may hedge its long term borrowing near to the repayment date to avoid rupee volatility in short term. The company also avails bill discounting facilities in respect of export receivables.

Commodity price risk

Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of steel. Due to significant volatility of the price of the steel, the Company has agreed with its customers for pass-through of increase/decrease in prices of steel. There may be lag effect in case of such pass-through arrangement.

Commodity price sensitivity

The Company revises its prices to customers on quarterly basis by considering average raw materials prices prevailing in the previous quarter impying it passes through any increase in prices thereby minimising the impact on the profit and loss and equity of the Company.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other receivables and deposits, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Further, Company's customers includes companies having long standing relationship with the Company. Outstanding customer receivables are regularly monitored and reconciled. At March 31, 2018, receivable from Company's top 5 customers accounted for approximately 30% (March 31, 2017: 36%) of all the receivables outstanding. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security except in case of few customers. Majority of the export recieveable are covered under the insurance cover. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk

As per the Company's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Company evaluates the option of refinancing entire or part of repayments for extended maturity. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Company.

The table below summarises the maturity profile of the Company's financial liabilities:

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Less than 1 year			
Borrowings (Current)	4,823.17	5,972.73	5,753.86
Trade and other payables	1,398.68	855.79	556.39
Other financial liabilities	529.14	483.08	537.70
Current maturity of long term borrowings	718.40	618.48	291.71
	7,469.39	**7,930.07**	**7,139.67**
1 to 5 years			
Borrowings (Non-current)	1,854.76	1,462.97	1,179.06
Trade and other payables	-	-	-
	1,854.76	**1,462.97**	**1,179.06**
Total	**9,324.14**	**9,393.04**	**8,318.73**

45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a debt equity ratio, which is debt divided by equity.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

46 Segmental disclosure

The Company is primarily engaged in manufacturing of closed die steel forgings & processing and Company is also into power generation from wind turbine which is supplied to Maharashtra State Electricity Distribution Company Limited (MSEDCL).

(Rupees in lakhs)

Particulars	Closed die forging and processing	Power generation	Total
46.1 Segment Revenue-Gross			
External revenue	14,099.02	182.31	**14,281.33**
Previous year	12,431.81	122.86	**12,554.66**
46.2 Segment Results			
Segment total	1,803.30	101.92	1,905.22
Previous year	1,297.10	165.65	1,462.75
Unallocated corporate expenses net of unallocated income			111.24
Previous year			133.20
Profit before interest etc. and taxation			
Less: Finance costs			621.32
Previous year			550.04
Profit before tax			**1,172.66**
Previous year			779.50
Tax expense			**353.32**
Previous year			264.42
Profit for the year			**819.34**
Previous year			515.08
46.3 Other information			
Segment assets	12,699.99	1,261.36	13,961.35
Previous year	11,748.03	1,653.33	13,401.36
Unallocated Corporate assets			1,562.13
Previous year			1,364.72
Segment liabilities	2,358.98	-	2,358.98
Previous year	1,691.77	127.62	1,819.39
Unallocated Corporate liabilities			7,902.33
Previous year			8,526.34

Depreciation / amortization	360.01	55.63	415.65
Previous year	377.06	55.25	432.31
Capital expenditure	521.10	-	521.10
Previous year	1,522.13	-	1,522.13

46.4 Secondary segment: Geographical information

Sales, service income and other operating revenue by geographical market:

(Rupees in lakhs)

Locations	Year ended 31st March 2018	Year ended 31st March 2017
Within India	5,993.07	5,198.37
Outside India	8,288.26	7,356.29
Total	**14,281.33**	**12,554.66**

Note : Revenue within India includes sales to customers located within India and revenue outside India includes sales to customers located outside India.

Trade receivable at year end

(Rupees in lakhs)

Locations	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
India	860.00	1,025.66	760.00
Outside India	3,961.48	3,436.94	2,899.14
Total	**4821.48**	**4,462.60**	**3,659.14**

Note: Above figures are net of provision Rs. 0.94 lakhs (31st March 2017 : Rs. 3.54 lakhs, 1st April 2016: Rs. 12.36 lakhs)

Notes:

a) The operating segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.

b) The business segment comprise the following:
a) Closed Die Forging and Processing
b) Power Generation

c) The geographical information considered for disclosure are: Sales within India and Sales outside India

d) Reliance on major customers:One customer represents more than 10% of the total revenue. Total revenue from this major customer amounts to Rs. 1,824.49 lakhs (FY 2016-17: Rs. 1,334.55 lakhs) During the FY 16-17, one more party other than the above represented more than 10% of the total revenue whose revenue amounts to Rs. 1,311.96 lakhs

47 Disclosure in respect of derivative instruments

(a) Derivative instruments outstanding

Particulars	As on 31st March 2018			As on 31st March 2017		
	Open forward contracts			Open forward contracts		
	No. of contracts	USD (in lakhs)	Rs. in lakhs	No. of contracts	USD (in lakhs)	Rs. in lakhs
Against foreign currency term loan	-	-	-	2.00	4.68	303.50

(b) All the derivative instruments have been acquired for hedging purpose

48 Foreign currency exposures that are not hedged by derivative instruments.

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Amount in Foreign Currency (in lakhs)	Rs. in lakhs	Amount in Foreign Currency (in lakhs)	Rs. in lakhs	Amount in Foreign Currency (in lakhs)	Rs. in lakhs
Borrowings						
[Term loan & packing credit] USD	73.07	4,750.86	56.06	3,631.79	50.81	3366.61
Trade and other receivable (net of bills discounted)						
USD	32.48	2,095.26	22.47	1,456.86	19.00	1,258.82
EURO	4.17	324.62	4.10	289.41	8.27	372.17
GBP	0.62	55.89	0.88	70.35	0.48	45.37
Capital advances given						
USD	0.34	21.91	0.56	36.51	1.39	92.24

Note: Open purchase orders & sales orders have not been considered for foreign currency exposure.

49 Expenditure on Research & Development (Charged to statement of P & L) [Other than microwave project]

(Rupees in lakhs)

Particulars	**Year ended 31st March 2018**	**Year ended 31st March 2017**
Professional Fees	11.25	5.41
Tours & Travels	0.13	5.31
Rent, Rate and Taxes	1.20	1.20
Motor Car Expenses	-	0.73
Repairs & Maintenance	1.55	0.56
Employees Welfare	0.14	0.36
Materials stores & spares	0.72	0.31
Other Expenses	0.81	0.14
Total	**15.80**	**14.02**

50 CSR expenditure

(Rupees in lakhs)

Particulars	**Year ended 31st March 2018**	**Year ended 31st March 2017**
(a) Gross amount required to be spent by the company during the year	16.79	17.45
(b) Amount spent during the year	12.59	17.22
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	12.59	17.22
(c) Balance unspent	4.20	0.23

51 Defined benefits and other long term benefit plans

(a) Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entiltled to specific benefit. The level of benefits provided on the employee's lenth of service and salary retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefits payments.

I. Liability risks

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since prive inflation and salary growth are linked economically, they combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increase provided at management's discretion may lead to uncertainties in estimating this increasing risk.

II. Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan. The principal assumptions used in determining gratuity for the company's plan is shown below:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Mortality table	IALM(2006-08) ult	IALM(2006-08) ult	IALM(2006-08) ult
Discount rate	7.60%	7.31%	7.46%
Expected rate of return on plan assets	8.00%	8.00%	8.00%
Rate of increase in compensation levels	8.00%	8.00%	8.00%
Expected average remaining working lives (in years)	13.7	14.43	16.06
Employee attrition rate	PS 0 - 42 - 2%	PS 0 - 42 - 2%	PS 0 - 42 - 1%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Present value of obligation as at the beginning of the period	442.90	367.77	316.60
Interest expense	30.94	26.53	24.03
Current service cost	44.08	37.64	32.98
Past service cost-(Non vested benefits)	-	-	-
Past service cost-(Vested benefits)	1.78	-	-
Benefits (paid)	(39.76)	(24.41)	(14.72)
Remeasurements on obligation [Actuarial (Gain) / Loss]	6.18	35.37	8.88
Closing defined benefit obligation	**486.12**	**442.90**	**367.77**

Changes in the fair value of plan assets recognised in balance sheet are as follows:

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening fair value of plan assets	360.27	260.13	190.99
Adjustment to opening fair value of plan assets	(3.32)	-	(3.35)
Interest income	27.62	22.39	16.66
Contributions	81.09	104.41	68.30
Benefits paid	(39.76)	(24.41)	(14.72)
Remeasurements	-	-	-
Return on plan assets, excluding amount recognised in interest income-Gain / (Loss)	(5.54)	(2.25)	2.24
Closing fair value of plan assets	**420.36**	**360.27**	**260.12**
Actual return on plan assets			

Net Interest (Income / Expense)

(Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest (Income) / Expense - Obligation	30.94	26.53
Interest (Income) / Expense - Plan assets	(27.62)	(22.39)
Net Interest (Income) / Expense for the period	**3.32**	**4.14**

Remeasurement for the period [Actuarial(Gain) / Loss]

(Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Experience (Gain) / Loss on plan liabilities	-	-
Demographic (Gain) / Loss on plan liabilities	-	(3.52)
Financial (Gain) / Loss on plan liabilities	(12.91)	6.23
Experience (Gain) / Loss on plan assets	19.09	32.66
Financial (Gain) / Loss on plan assets		

Amount recognised in statement of other comprehensive income (OCI)

(Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Remeasurement for the period - obligation (Gain) / Loss	6.18	35.37
Remeasurement for the period - plan assets (Gain) / Loss	5.54	0.95
Total Remeasurement cost / (credit) for the period recognised in OCI	**11.72**	**36.32**

The amounts to be recognised in the Balance Sheet

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Present value of obligation as at the end of the period	486.13	442.90	367.77
Fair value of plan assets as at the end of the period	420.36	360.27	260.13
Net asset / (liability) to be recognised in balance sheet	**(65.77)**	**(82.63)**	**(107.64)**

Expense recognised in the Statement of Profit and Loss (Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Current service cost	44.08	37.64
Past service cost - (vested benefits)	1.78	-
Past service cost - (non vested benefits)	-	-
Sub Total	**45.86**	**37.64**
Net Interest (Income) / Expense	3.32	4.14
Net periodic benefit cost recognised in the statement of profit and loss	**49.18**	**41.78**

Reconciliation of net assets / (liability) recognised: (Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Net asset / (liability) recognised at the beginning of the period	(82.63)	(107.64)	(125.61)
Adjustment to opening balance	(3.32)	-	(3.34)
Company Contributions	81.08	103.11	68.30
Expense recognised at the end of period	(49.18)	(41.78)	(46.99)
Amount recognised outside profit & loss for the period	(11.72)	(36.32)	-
Net asset / (liability) recognised at the beginning of the period	**(65.77)**	**(82.63)**	**(107.64)**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Funds managed by insurer	100%	100%	100%

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased / increased present value of obligation (Rupees in lakhs)

Discount rate	As at 31st March 2018	As at 31st March 2017
Decrease by 1%	534.21	489.41
Increase by 1%	444.43	402.75

B) Impact of change in salary increase rate when base assumption is decreased / increased present value of obligation

(Rupees in lakhs)

Salary increment rate	As at 31st March 2018	As at 31st March 2017
Decrease by 1%	444.72	403.51
Increase by 1%	532.98	484.80

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Within one year	39.39	22.54
After one year but not more than five years	100.17	93.54
After Five years but not more than ten years	179.17	155.67

(b) Leave benefits

Liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy/rules of the Company. Provision for short term leave benefit - casual leave is calculated on arithmetic basis. The total liability for leave benefits as at year end is Rs.141.65 lakhs (31st March 2017: Rs.142.37 lakhs, 1st April 2016: Rs. 115.58 lakhs).

52 Defined contribution plan

Provident fund & ESIC

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund and ESIC. Under the defined contribution plan, provident fund and ESIC is contributed to the government administered fund. The Company has no obligation, other than the contribution payable to the provident fund & ESIC.

53 Cash flow statement related

53.1 Aggregate outflow on account of direct taxes paid is Rs. 306.67 lakhs (31st March 2017: Rs.165.33 lakhs).

53.2 Conversion of Rupee term loan in foreign currency loan (USD) aggregating to Rs. 1,565.75 lakhs (31st March 2017 :Rs. 631 lakhs) is not considered as cash transaction.

53.3 Due to reclassification of Dies from Inventories to Fixed Assets in the Previous Financial Year, finance facilities from banks changed accordingly. In the current financial year, amount of Rs.700 lakhs has been reclassified from short term as long term borrowings without any physical movement of Cash Flow.

53.4 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Rupees in lakhs)

Particulars	As at 31st March 2017	Cash Flows	Non Cash Changes	As at 31st March 2018
Short Term Borrowings	5,972.73	(1,169.65)	20.09	4,823.17
Long Term Borrowings	2,081.45	478.36	13.36	2,573.16
Total Liabilities from financing activities	**8,054.17**	**(691.30)**	**33.45**	**7,396.33**

(Rupees in lakhs)

Particulars	As at 31st March 2016	Cash Flows	Non Cash Changes	As at 31st March 2017
Short Term Borrowings	5,753.86	229.82	(10.96)	5,972.73
Long Term Borrowings	1,470.77	664.97	(54.30)	2,081.45
Total Liabilities from financing activities	**7,224.63**	**894.79**	**(65.26)**	**8,054.17**

54 During the financial year 2016 - 17, the Company had received a government grant of Rs. 214 lakhs from Steel Development Fund (SDF) of Ministry of Steel as first installment towards its contribution for a specified project which will help decreasing greenhouse gases emission. The total estimated cost of the project is Rs. 560 lakhs out of which contribution from SDF is Rs. 275 lakhs and balance Rs. 285 lakhs shall be contributed by the Company. As the project is ongoing, all direct cost and allocable costs (including depreciation) has been considered as intangible assets under development. Intangible assets and equipments which are used for the project have been capitalised as tangible fixed assets. Further, government grant received of Rs. 214 lakhs is treated as deferred income. (refer note 4.7)

Notes on standalone financial statements for the year ended 31st March 2018

55 First time adoption

These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with IND AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with Indian accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP').

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

55.1 Exceptions applied

The Company has applied all the mandatory exceptions in accordance with IND AS 101. Following are the exceptions with significant impact:

1) **Estimates**

   The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with IND AS reflect conditions at 1st April 2016, the date of transition to IND AS and as of 31st March 2017.

2) **Classification and measurement of financial assets**

   The Company has classified financial assets on the basis of the facts and circumstances that exist at the date of transition to IND AS.

3) **Deemed cost for property, plant and equipment and intangible assets**

   The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in the financial statements as at the date of transition to IND AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition.

4) **Embedded lease**

   Appendix C to IND AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with IND AS 17, this assessment is carried out at the inception of the contract or arrangement. However, the Company has used IND AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

5) **Investments in subsidiaries**

   The Company has elected the Indian GAAP carrying amount at the date of transition as deemed cost for its investment in its subsidiary.

55.2 Notes to the reconciliation of equity as at 1st April 2016 & 31st March 2017 and statement of profit and loss for the year ended 31st March 2017.

1) **Defined benefit liabilities**

   Both under Indian GAAP and IND AS, the Company recognized costs related to its post-employment defined benefit plan and other long term benefit on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under IND AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to other equity through OCI. Thus the employee benefit cost is reduced by Rs.36.32 lakhs and remeasurement gains/losses on defined benefit plans has been recognized in the OCI net of related deferred tax for FY 2016-17.

2) **Revenue**
Under Indian GAAP, revenue from sale of products was presented excluding excise duty. Under IND AS, revenue from sale of products is presented inclusive of excise duty. Excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2018 by Rs. 91.26 lakhs. There is no impact on total equity and profits.

3) **Deferred tax**
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has not resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in other equity or a separate component of equity.

4) **Standby equipment/ Capital Spares**
The Company accounted for certain spares which are capable of being used during more than one accounting period or which can be only specifically used in combination with another fixed assets as part of inventories under Indian GAAP. Under IND AS, any asset which satisfies the criteria of IND AS 16 needs to be accounted as a part of property, plant and equipment. Accordingly, the Company has done an assessment of the relevant spares and reclassified the same from inventory to property, plant and equipment wherever such spares satisfied the criteria of IND AS 16. Depreciation on such reclassified items have been computed retrospectively to the extent of available information and the net amount is considered for reclassification purposes while the balance impact is adjusted in other equity.

6) **Prior period**
Prior period expenses/(income) as reportes as per previous GAAP has been restated respective period/year in accordance with Ind AS requirements.

7) **Investment in subsidiary**
The Company has availed the option to value investment in subsidiary at deemed cost. The deemed cost for this purpose can be either its fair value at the entity's date of transition to IND AS in its separate financial statements or previous GAAP carrying amount at the transition date. The Company has decided to use previous GAAP value as deemed cost for its investments.

8) **Impact on cash flow**
The translation from previous GAAP to IND AS has no material impact on the statement of cash flow.

56 Reconciliation of equity and statement of profit and loss

56.1 Reconciliation of equity as at 1st April 2016 (date of transition to IND AS), Also refer note 55.2

(Rupees in lakhs)

Particulars	As at 31st March,2017			As at 1st April,2016		
	Previous GAAP	Effect of Transition to IND AS	As per IND AS Balance Sheet	Previous GAAP	Effect of Transition to IND AS	As per IND AS Balance Sheet
Non-Current Assets						
Property, Plant & Equipment	4,358.15	(16.01)	4,342.14	3,624.42	36.32	3,660.74
Capital Work-in-progress	587.42	-	587.42	253.04	-	253.04
Other intangible assets	61.67	-	61.67	68.30	-	68.30
Intangible assets under development	97.20	9.95	107.15	-	-	-
Financial Assets	-	-	-	-	-	-
(i) Investments	879.15	-	879.15	543.70	-	543.70
(ii) Loans	2.68	-	2.68	5.31	-	5.31
(iii) Other non current financial assets	109.93	41.50	151.43	49.74	42.10	91.84
Income tax assets	151.23	2.91	154.14	157.11	-	157.11
Other non-current assets	378.34		378.34	466.55		466.55
Total Non-current assets	**6,625.77**	**38.35**	**6,664.12**	**5,168.17**	**78.42**	**5,246.59**
Current assets						
Inventories	2,533.32	(62.64)	2,470.68	3,006.45	(62.64)	2,943.81
Financial Assets						
(i) Trade receivables	4,479.10	(16.51)	4,462.59	3,671.23	(12.09)	3,659.14
(ii) Cash and cash equivalents	189.47	-	189.47	5.99	-	5.99
(iii) Bank balances	37.61	-	37.61	43.10	-	43.10
(iv) Other current financial assets	507.52	-	507.52	653.06	-	653.06
Other current assets	433.34	0.75	434.09	334.68	-	334.68
Total current assets	**8,180.36**	**(78.40)**	**8,101.96**	**7,714.51**	**(74.73)**	**7,639.78**
Total Assets	**14,806.13**	**(40.05)**	**14,766.08**	**12,882.68**	**3.69**	**12,886.37**
Equity						
Equity Share capital	1,726.26	-	1,726.26	1,726.26	-	1,726.26
Other Equity	2,729.30	(36.06)	2,693.24	2,211.94	(9.47)	2,202.47
Total Equity	**4,455.56**	**(36.06)**	**4,419.50**	**3,938.20**	**(9.47)**	**3,928.73**
Liabilities						
Non-current liabilities						
Financial Liabilities						
(i) Borrowings	1,462.97	-	1,462.97	1,179.06	-	1,179.06
(ii) Other financial liabilities						
Provisions	81.70	-	81.70	168.46	-	168.46
Deferred tax liabilities (Net)	442.18	(9.11)	433.07	344.07	5.22	349.29
Total non-current liabilities	**1,986.85**	**(9.11)**	**1,977.74**	**1,691.59**	**5.22**	**1,696.81**
Government Grant	**214.00**	**-**	**214.00**	**-**	**-**	**-**
Current liabilities						
Financial Liabilities						
(i) Borrowings	5,972.73	-	5,972.73	5,753.86	-	5,753.86
(ii) Trade payables	855.04	0.75	855.79	556.39	-	556.39
(iii) Other current financial liabilities	1,097.17	4.37	1,101.54	821.47	7.94	829.41
Other current liabilities	46.00	-	46.00	24.26	-	24.26
Provisions	178.51	-	178.51	96.91	-	96.91
Current Tax Liabilities (Net)	0.27	-	0.27	-	-	-
Total current liabilities	**8,149.72**	**5.12**	**8,154.84**	**7,252.89**	**7.94**	**7,260.83**
Total liabilities	**10,136.57**	**(3.99)**	**10,132.58**	**8,944.48**	**13.16**	**8,957.64**
Total equity & liabilities	**14,806.13**	**(40.05)**	**14,766.08**	**12,882.68**	**3.69**	**12,886.37**

56.2 Reconciliation of Other Equity (Reserves)

(Rupees in lakhs)

Particulars	Standalone	
	As at 31st March 2017	As at 1st April 2016
Other Equity (Reserves) as per Previous GAAP	**2,729.30**	**2,211.94**
Adjustments:		
Impact of depreciation on capitalisation of standby equipments	(26.59)	(22.71)
Reversal of excess depreciation charged in F.Y.2015-16	-	38.50
Prior period items as per Previous GAAP reclassified in respective year / opening reserves	(21.57)	(7.95)
Reversal of Wind mill income excess booked	-	(12.09)
Taxes on above	12.10	(5.22)
Other Equity (Reserves) as per Ind AS	**2,693.24**	**2,202.47**

56.3 Reconciliation of statement of profit and loss for the year ended 31st March 2017. Also refer note 55.2

(Rupees in lakhs)

Particulars	Previous GAAP	Effect of transition to IND AS	As per IND AS Profit & Loss
Revenue from operations	12,142.03	412.64	12,554.67
Other Income	202.15	-	202.15
Total Income (A)	**12,344.18**	**412.64**	**12,756.82**
EXPENSES			
Cost of materials consumed	5,381.13	-	5,381.13
Changes in inventories of finished goods,WIP	(87.56)	-	(87.56)
Excise Duty on sale of goods	-	418.87	418.87
Manufacturing expenses	2,814.54	4.97	2,819.51
Employee benefits expense	1,634.73	(44.42)	1,590.31
Finance costs	541.94	8.10	550.04
Depreciation and amortisation expense	389.92	42.38	432.31
Other expenses	874.53	(1.81)	872.72
Total expenses (B)	**11,549.23**	**428.09**	**11,977.33**
Profit/(loss) before exceptional items and tax(A-B)=(C)	**794.95**	**(15.45)**	**779.49**
Prior Period Items	7.95	(7.95)	-
Profit/(loss) before tax (D)	**787.00**	**(7.50)**	**779.49**
Tax expense			
(1) Current tax	240.25	(2.90)	237.35
(2) Deferred tax	23.91	(2.31)	21.60
(3) Short/(Excess) provision for taxation for previous years	5.47	-	5.47
Profit/(loss) for the year from continuing operations	**517.37**	**(2.29)**	**515.07**
Profit/(loss) from discontinued operations	-	-	-
Tax expense of discontinued operations	-	-	-
Profit/(loss) from discontinued operations (after tax)	-	-	-
Profit/(loss) for the year	**517.37**	**(2.29)**	**515.07**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	-	(36.32)	(36.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	12.01	12.01
B (i) Items that will be reclassified to profit or loss	-		-
(ii) Income tax relating to items that will be reclassified to profit or loss	-		-
Total Comprehensive Income for the year (Comprising Profit (Loss) and other comprehensive Income for the year)	**517.37**	**(26.60)**	**490.76**

56.4 Reconciliation of total comprehensive income for the year ended 31st March 2017

(Rupees in lakhs)

Particulars	As at 31st March,2017
Profit as per previous GAAP (Indian GAAP)	**517.37**
Adjustments:	
Actuarial (gain)/ loss on employee defined liability reclassified to OCI	36.32
Depreciation on stand by equipment	(4.48)
Prior period items (net) as per Previous GAAP reclassified in respective year / opening reserves	(39.45)
Reversal of amortisation of goodwill	-
Taxes on above	5.31
Net Profit / (Loss) before OCI as per Ind AS (A)	**515.07**
Remeasurement gain/(loss) of net defined benefit liability	(36.32)
Income tax relating to items that will not be reclassified to profit or loss	12.01
Other comprehensive income (net of tax) (B)	**(24.31)**
Total Comprehensive Income	**490.76**

57 Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

For and on behalf of the Board of Directors of
Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Place: Mumbai
Date: 9th May, 2018

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Pradeep Metals Limited

Report on the consolidated Indian Accounting Standards (Ind AS) financial statements

We have audited the accompanying consolidatedInd AS financial statements of **Pradeep Metals Limited** (hereinafter referred to as "the Holding Company") and wholly owned subsidiary and step down subsidiary [the Holding Company and its wholly owned subsidiary (WOS) and step down subsidiary (SDS) together referred to as "the Group"] comprising the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income),the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (together referred to as "the consolidatedInd AS financial statements").

Management's responsibility for the consolidated Ind AS financial statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of directors of companies included in the Group are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted the audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group, as at 31st March 2018, and their consolidated profit including other comprehensive income,consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of matter

As stated in note 15.1(a) to consolidated Ind AS financial statements, to give effect of the settlement and other consequential impact consequent to settlement of legal dispute in SDS in September,2017, management of WOS and SDS has revised their financial statements for earlier years which has been adjusted in the opening 'Other equity' as on 1st April 2017 in consolidated financial statements for the year ended 31st March 2018.

Our opinion is not modified in respect of above matter.

Other matter

We did not audit the financial statements of WOS and SDS for the year ended 31st March 2018 included in the consolidated statements, whose financial statements reflect total assets of Rs. 3,637.51 lakhs as at 31st March 2018, total revenues of Rs. 3,944.03 lakhs and net cash flows aggregating to Rs. 113.73 lakhs. The unaudited financial statements / financial information of WOS and SDS are certified by the Holding Company's management and have been prepared by the Holding Company in accordance with Ind AS. Our opinion on the consolidated Ind AS financial statements of the Group in so far as it relates to the amounts and disclosures included in respect of the WOS and SDS and our report in terms of sub-section (3) of Section 143 of the Act in so far it relates to the aforesaid WOS and SDS, is based solely on such management certified financial statements.

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit for the aforesaid consolidated Ind AS statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements

d) In our opinion, the consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company has subsidiary companies (WOS and SDS) incorporated outside India, hence, Section 164(2) of the Act is not applicable to the subsidiary companies (WOS and SDS).

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports' of the Holding Company. The Holding Company has subsidiary companies (WOS and SDS) incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary companies (WOS and SDS); and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated Ind AS financial position of the Group – Refer note 35 to the consolidated Ind AS financial statements

ii. The Group did not have any long term contract including derivative contracts for which there are any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 9th May, 2018

Annexure A to Independent Auditors' Report of even date on the consolidated Ind AS financial statements of Pradeep Metals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Holding Company") as of 31st March 2018 in conjunction with our audit of the consolidated Ind AS financial statement of the Group for the year ended on that date. The Holding Company has subsidiary companies (WOS and SDS) incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary companies (WOS and SDS).

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

The Holding Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. The Holding Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In respect of inventory (recording of WIP and allocation of overheads), internal financial controls needs to be further strengthened to commensurate with the size of the Holding Company and nature of its business. This matter was reported in earlier year also.

In our opinion, read with our comment with respect to inventory above, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 9th May, 2018

Consolidated Balance Sheet as at 31st March 2018

(Rupees in lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
I. Non-current assets				
Property plant and equipment	4	5,551.51	4,655.30	4,237.59
Capital work-in-progress	4.6	25.63	587.42	253.04
Goodwill	4	459.92	1,277.92	-
Other intangible assets	4	72.51	61.67	68.30
Intangible assets under development	4.7	286.21	107.15	-
Goodwill on consolidation		147.67	247.13	1,628.87
Financial assets				
(i) Investments-Others	5	0.05	0.05	0.05
(ii) Loans	6	2.72	-	-
(iii)Other non-current financial assets	7	51.31	151.43	91.84
Income tax assets (net)		175.37	171.04	190.28
Other non-current assets	8	406.67	378.34	466.55
		7,179.57	**7,637.45**	**6,936.52**
II. Current assets				
Inventories	9	3,812.36	3,410.82	3,726.75
Financial assets				
(i) Trade receivables	10	4,224.04	4,369.03	3,508.72
(ii) Cash and cash equivalents	11	192.30	375.50	343.38
(iii)Bank balances other than (ii) above	11	38.00	37.61	43.10
(iv) Other current financial assets	12	542.49	503.51	627.61
Other current assets	13	430.09	436.82	424.42
		9,239.28	**9,133.29**	**8,673.98**
TOTAL ASSETS		**16,418.85**	**16,770.74**	**15,610.50**
EQUITY AND LIABILITIES				
III.Equity				
Equity share capital	14	1,727.00	1,726.26	1,726.26
Other equity	15	2,197.44	2,071.51	2,006.26
TOTAL EQUITY		**3,924.44**	**3,797.77**	**3,732.52**
Minority interest	16	**-**	**91.12**	**417.75**
LIABILITIES				
IV. Non-current liabilities				
Financial liabilities				
Borrowings	17	3,533.84	2,469.36	2,495.61
Provisions	18	38.98	81.70	176.42
Deferred tax liabilities	19.4	472.60	433.04	349.29
		4,045.42	**2,984.10**	**3,021.32**
V. Government grant pending apportionment to profit & loss		**214.00**	**214.00**	**-**
VI. Current liabilities				
Financial liabilities				
(i) Borrowings	20	4,823.17	5,972.73	5,753.86
(ii) Trade payable	21			
- Due to micro and small enterprises		0.50	-	-
- Due other than to micro and small enterprises		1,574.90	1,745.04	1,228.68
(iii)Other current financial liabilities	22	1,594.28	1,741.47	1,335.21
Other current liabilities	23	41.63	46.00	24.26
Provisions	24	170.44	178.51	96.90
Current tax liabilities (net)		30.07	-	-
		8,234.99	**9,683.75**	**8,438.91**
TOTAL LIABILITIES		**12,494.41**	**12,972.97**	**11,877.98**
TOTAL EQUITY & LIABILITIES		**16,418.85**	**16,770.74**	**15,610.50**
Significant accounting policies & other notes	1 to 56			

Notes referred to herein above form an integral part of standalone financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 9th May 2018

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Consolidated Statement of Profit and Loss for the Year ended 31st March 2018

(Rupees in lakhs)

Particulars	Note No.	Year Ended 31st March 2018	Year Ended 31st March 2017
INCOME			
Revenue from operations	25	16,282.38	13,590.63
Other income	26	263.56	157.88
Total Income		**16,545.94**	**13,748.51**
EXPENSES			
Cost of material consumed	27	6,662.85	5,680.60
Changes in inventories of work-in-progress and scrap	28	(205.60)	(278.22)
Excise Duty (Upto June 2017)		91.26	418.87
Manufacturing expenses	29	3,713.87	3,248.81
Employee benefit expenses	30	2,555.02	2,334.50
Finance costs	31	720.69	638.92
Depreciation and amortization expense	4	582.42	447.95
Other expenses	32	1,619.19	1,115.03
Total Expenses		**15,739.70**	**13,606.46**
Profit before exceptional items and taxes		806.24	142.05
Exceptional items- (expenses)/income	48	-	(155.46)
Profit / (Loss) before taxes		**806.24**	**(13.41)**
Tax expense:			
- Current tax		423.35	237.34
- MAT Credit entitlement		-	-
- Deferred tax charge / (Credit)		(79.49)	21.61
- Income tax, deferred tax and MAT credit of earlier years (net)		9.46	5.47
		353.32	**264.42**
Net profit/ (loss) for the year		**452.92**	**(277.83)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(losses) on defined benefit plans		(11.73)	(36.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.76	12.01
Total (1)		**(7.97)**	**(24.31)**
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		69.71	(11.21)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total (2)		69.71	(11.21)
Other Comprehensive Income (1+2) (B)		**61.74**	**(35.52)**
Total Comprehensive Income (A+B)		**514.66**	**(313.35)**
Profit/ (loss) for the year attributable to:			
Equityholders of parent		452.92	115.18
Non-controlling interests		-	(393.01)
Other comprehensive income for the year attributable to:			
Equityholders of parent		61.74	(35.52)
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equityholders of parent		514.66	79.66
Non-controlling interests		-	(393.01)
Earnings per equity share			
(a) Basic (Face value of Rs. 10 each)	34	2.62	0.67
(b) Diluted (Face value of Rs. 10 each)		2.62	0.67
Significant accounting policies & other notes	1 to 56		

Notes referred to herein above form an integral part of standalone financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 9th May 2018

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March 2018

(Rupees in lakhs)

Particulars	Note	2017 - 2018 Rupees	2017 - 2018 Rupees	2016 - 2017 Rupees	2016 - 2017 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit/(loss) before taxation			806.24		142.05
Adjustments for:					
Depreciation and amortization		582.42		447.95	
Provision for doubtful debts/ other current assets utilised (net)		(5.67)		(12.40)	
Unrealised foreign exchange (gain)/loss (Net)		(71.73)		(77.52)	
Impact of foreign exchange translation (net)		69.71		(11.21)	
(Profit)/loss on sale of fixed asset (net)		13.55		23.66	
Interest expenses		720.69		638.92	
Interest income		(20.08)		(8.83)	
			1,288.89		1,000.57
Operating profit before changes in assets and liabilities			**2,095.13**		**1,142.62**
Movements in working capital : [Current and Non-current]					
(Increase) / decrease in loans and advances and other current assets		24.90		49.69	
(Increase) / decrease in inventories		(387.15)		315.94	
(Increase) / decrease in trade receivable		250.48		(547.20)	
Increase / (decrease) in trade payable, other current liabilities and provisions		(255.17)	(366.94)	586.67	405.10
			1,728.19		**1,547.72**
Less: Adjustments due to revision in books of account of WOS and SDS. (Also refer note 15.1(a) and 48)			(83.83)		(155.46)
			1,644.36		**1,392.26**
Adjustment for:					
Direct taxes paid [including tax deducted at source](net of refund)			281.75		149.33
Net cash generated/ (used in) from operating activities...(A)			**1,362.61**		**1,242.93**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets (tangible / intangible) (Including capital advances)		(341.52)		(1,529.91)	
Sale of fixed asset		0.05		8.48	
(Increase)/decrease in other bank balances and non-current assets [Other than cash and cash equivalent]		(0.39)		6.23	
Government grant received		-		214.00	
Interest received		20.08		8.83	
		(321.78)		**(1,292.37)**	
Adjustment for:					
Direct taxes paid [including tax deducted at source]		0.07		0.06	
Net cash generated / (used in) from investing activities...(B)			**(321.85)**		**(1,292.43)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from long term borrowing		1,794.64		959.09	
Repayment of long term borrowing		(720.24)		(477.54)	
Increase/(decrease) in working capital loan (Net)		(1,169.65)		229.82	
Net adjustments on account of settlement with Non-controlling interest		(354.71)		-	
Calls in arrears received		0.74		-	
Interest paid on loans		(774.74)		(629.75)	
Net cash generated / (used) from financing activities...(C)			**(1,223.96)**		**81.62**
Net increase / (decrease) in cash and cash equivalents...(A + B + C)			**(183.20)**		**32.12**
Cash and cash equivalents at the beginning of the year	11 & 51	375.50		343.38	
Cash and cash equivalents at the end of the year	11 & 51	192.30		375.50	
Net increase / (decrease) in cash and cash equivalents			**(183.20)**		**32.12**
Significant accounting policies & other notes	1 to 56				

Notes referred to herein above form an integral part of consolidated financial statements.

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 9th May 2018

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Consolidated Statement of changes in equity for the year ended 31st March 2018

(Rs. in lakhs)

Particulars	Equity share capital (A)	Security Premium (refer note 15)	Capital Reserve	General reserves	Retained earnings	Other Comprehensive Income (C) Foreign currency translation reserve	Total Other Equity (D) (A+B+C)	Non controlling interest (E) (refer note 16)	Total (A+D+E)
		Attributable to Owners							
		Reserves and surplus (B)							
Balance at 1st April 2016	1,726.26	515.98	13.94	211.60	1,208.66	56.08	2,006.26	417.75	**4,150.27**
Profit for the year	-	-	-	-	115.18	-	115.18	(393.01)	**(277.83)**
Remeasurements gains/(loss) on defined benefit plan	-	-	-	(24.31)	-	(11.21)	(35.52)	-	**(35.52)**
Consolidation adjustment on account of elimination of unrealised profit in opening inventory	-	-	-	-	(14.41)	-	(14.41)	-	**(14.41)**
Revision in the share attributable to NCI	-	-	-	-	-	-	-	66.37	**66.37**
Transaction with owners in their capacity as owners									
Equity dividend	-	-	-	-	-	-	-	-	**-**
Tax on equity dividend	-	-	-	-	-	-	-	-	**-**
Interim equity dividend	-	-	-	-	-	-	-	-	**-**
Tax on interim equity dividend	-	-	-	-	-	-	-	-	**-**
Balance as at 31st March 2017	**1,726.26**	**515.98**	**13.94**	**187.29**	**1,309.43**	**44.87**	**2,071.51**	**91.11**	**3,888.88**
for the year ended 31st March 2018									
Balance at 1st April 2017	1,726.26	515.98	13.94	187.29	1,309.43	44.87	2,071.51	91.11	**3,888.88**
Calls in arrears received	0.74	-	-	-	-	-	-		**0.74**
Profit for the year	-	-	-	-	452.92	-	452.92	-	**452.92**
Remeasurements gains/(loss) on defined benefit plan	-	-	-	(7.97)	-	69.71	61.74		**61.74**
Increase in profit on account of revision in statement of profit & loss of WOS & SDS (Refer note 15.1(a))	-	-	-	-	207.12	-	207.12	-	**207.12**
Reduction in profit on account of recomputation of allocation of loss to non-controlling interest and losses post acquisition of 49% share (Refer note 15.1(a))	-	-	-	-	(290.95)	-	(290.95)	-	**(290.95)**
Net impact of amortisation of goodwill	-	-	-	-	(55.72)	-	(55.72)	-	**(55.72)**
Consolidation adjustment on account of elimination of unrealised profit in opening inventory	-	-	-	-	14.40	-	14.40	-	**14.40**
Loss on acquistion of 49% stake from partner of SDS (Refer note 15.1(b))					(263.59)		(263.59)		**(263.59)**
Net amount based on the settlement with NCI (SDS)	-	-	-	-	-	-	-	(91.11)	**(91.11)**
Transaction with owners in their capacity as owners									
Equity dividend	-	-	-	-	-	-	-	-	**-**
Tax on equity dividend	-	-	-	-	-	-	-	-	**-**
Interim equity dividend	-	-	-	-	-	-	-	-	**-**
Tax on interim equity dividend	-	-	-	-	-	-	-	-	**-**
Balance as at 31st March 2018	**1,727.00**	**515.98**	**13.94**	**179.32**	**1,373.61**	**114.58**	**2,197.44**	**-**	**3,924.43**
Significant accounting policies & other notes				1 to 56					

Notes referred to herein above form an integral part of standalone financial statements.
As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 9th May 2018

For and on behalf of the Board of Directors of Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Notes on Consolidated Ind AS financial statements for the year ended 31st March 2018

1. Background

Pradeep Metals Limited (hereinafter referred to as 'the Parent Company', 'the Company' or 'Holding Company') is a public Company incorporated in India. The Company's shares are listed on Bombay Stock Exchange in India. Holding company together with its Wholly Owned Subsidiary ('WOS') and Step down Subsidiary ('SDS') ('WOS and SDS are referred to as subsidiaries') is referred to as "the Group". The Group is engaged in the manufacturing and selling of forged and machined components for various sectors. The Group caters to both domestic and international markets.

2. Basis of preparation

2.1. Statement of compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

For all periods up to and including the year ended 31st March 2017, the Group had prepared its consolidated financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as "Indian GAAP"). These consolidated financial statements for the year ended 31st March 2018 are the Group's first that the Group has prepared in accordance with Ind AS.

The consolidated financial statements comply with Ind AS notified by the Ministry of Corporate Affairs ('MCA'). The Group has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards''. The transition was carried out from Indian GAAP which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at 1st April 2016 and 31st March 2017 and on the consolidated net profit and cash flows for the year ended 31st March 2017 is disclosed in note 55 to these consolidated financial statements.

2.2. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee, and
c. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. The Group's voting rights and potential voting rights
d. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities,income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The subsidiaries considered in consolidated financial statements and its country of incorporation is as tabulated below:

Sr. no.	Name of the entity	Country of incorporation	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiary)	
			As at 31st March 2018	As at 31st March 2017
(A)	**Wholly owned subsidiary company**			
1.	Pradeep Metals Limited Inc.	USA	100%	100%
(B)	**Step down subsidiary**			
	Dimensional Machine Works, LLC	USA	100%	51% (upto 26th September 2016) 100% (From 27th September 2016)

Consolidation Procedure

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Ind AS 103 - Business combinations explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Consolidated Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary

ii. Derecognises the carrying amount of any non-controlling interests

iii. Derecognises the cumulative translation differences recorded in equity

iv. Recognises the fair value of the consideration received

v. Recognises the fair value of any investment retained

vi. Recognises any surplus or deficit in the consolidated statement of profit and loss

vii. Reclassifies the parent's share of components previously recognised in OCI to the consolidated statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3. Overall consideration

The consolidated financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. These consolidated financial statements are prepared under the historical cost convention unless otherwise indicated.

The Consolidated financial statement has been prepared considering all Ind AS notified by MCA till reporting date i.e. 31st March 2018. The significant accounting policies used in preparing the consolidated financial statements are set out in note 3 of the notes to the consolidated financial statements.

In accordance with Ind AS 101, "First time adoption of Indian Accounting Standard", the Group has presented three year figures for balance sheet, two years figures for consolidated statement of profit and loss (other comprehensive income), two years figures for statement of cash flows and two years figures for statement of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS consolidated financial statements. In future periods, Ind AS 1, 'Presentation of Financial Statements' requires two comparative periods to be presented for the balance sheet only in certain circumstances.

2.4. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees which is also the Holding Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.5. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 - Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.6. Use of significant accounting estimates, judgements and assumptions

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of consolidated financial statements and reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Group has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Group. Further, the Group has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Group's financial position and performance.

ii) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or (Cash Generating Unit) CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Group's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iv) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

v) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the consolidated statement of profit and loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Group has recognised the deferred tax on unused tax losses / unused tax credits only to the extent of the corresponding deferred tax liability. Any increase in probability of future taxable profit will result into recognition of unrecognised deferred tax assets.

vi) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3. Significant Accounting Policies

3.1. Presentation and disclosure of financial statement

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

3.2. Business Combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply IndAS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment (please refer note 55). Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in the consolidated statement of profit and loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and subsequent its settlement is accounted for within equity. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.3. Property, Plant and Equipment and Depreciation

Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the property, plant & equipment under Ind AS.

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction/ acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013, except for the plant and machinery as per the table given below, for which on the basis of internal technical assessment made by the management, the depreciation has been provided considering the useful life of the plant.

The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Particulars	Useful life
Machinery for heavy production/press/cranes etc.	15 Years
Dies	10 Years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Individual assets whose cost does not exceed five thousand rupees	Nil Depreciated fully in the year of capitalisation

The useful lives of the property, plant and equipment not covered in table above and are in accordance with schedule II are as follows:

Particulars	Useful life
Factory Building	30 Years
Electrical Installation	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture & fittings	10 Years
Motor Vehicles	8 Years
Windmill	22 Years

Building

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is de-recognised.

3.4. Intangible assets and amortisation

Recognition and measurement

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the intangible assets under Ind AS.

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible Asset	Estimated useful life
(a) ERP Software	10 Years
(b) Other Software	3 Years

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.5. Research and development costs

Research costs are expensed as incurred. Development expenditures are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.6. Inventories

Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Dies are valued at cost or net realizable value whichever is less. Cost includes material cost and labour cost. Costs are determined on specific identification basis.

Scrap is valued at net realizable value.

3.7. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

Sale of goods

Revenue from the domestic sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of shipping bills or bill of lading depending on the shipment terms. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Export incentives

Export incentives / benefits are recognised as income in consolidated statement of profit and loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods/sale of license in open market.

Die design and preparation charges

Revenues from die design and preparation charges are recognized as per the terms of the contract as and when services are rendered.

Sale of electricity-Windmill

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.

Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders/board of directors approve the dividend as applicable.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to consolidated statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

3.9. Foreign currency transaction

- Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items is recognized as income or expense in the year in which they arise.
- Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognised in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognised in consolidated statement of profit and loss or other comprehensive income is also recognised in consolidated statement of profit or loss or other comprehensive income respectively).
- Translation of foreign operations

  Financial statements of foreign operations are translated as under:

  a. Assets and Liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the average rate prevailing during the year.

b. Revenue and expenses at average rates prevailing during the year. Off Balance Sheet items are translated into Indian Rupees at year-end rates.
c. Exchange differences arising on translation are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

3.10. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the consolidated statement of profit and loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

  a. Defined contribution plan

     The defined contribution plan is a post-employment benefit plan under which the Holding company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Holding Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Holding Company's contribution to defined contribution plans are recognized in the consolidated statement of profit and loss in the period in which the employee renders the related service.

  b. Post-employment benefit and other long term benefits

     The Holding Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits and long service rewards. Holding Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Provision for casual leave is made on arithmetic basis.

     For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

     The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

     The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

     Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

     Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the consolidated statement of profit and loss as income or expense.

3.11. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.12. Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

Finance lease - Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss over the period of the lease.

Leasehold land considered as finance lease (grouped under non-current assets) is amortized over the period of lease.

3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside consolidated profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside consolidated profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.14. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.15. Cash flow statement

Cash flows are reported using the indirect method, where by consolidated net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.16. Provisions, contingent liabilities, contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Group does not recognize a contingent asset but discloses its existence in the consolidated financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.17. Earnings per share

Basic earnings per share is computed using the consolidated net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the consolidated net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive.

3.18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through consolidated profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through consolidated profit or loss are recognised immediately in consolidated statement of profit or loss.

3.18.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through consolidated profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not applicable if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to consolidated profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in consolidated profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in consolidated statement of profit or loss. The net gain or loss recognised in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through consolidated profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in consolidated statement of profit and loss.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit or loss if such gain or loss would have otherwise been recognised in consolidated statement of profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in consolidated statement of profit or loss if such gain or loss would have otherwise been recognised in consolidated statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in consolidated statement of profit or loss. The net gain or loss recognised in consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in consolidated profit or loss, in which case these effects of changes in credit risk are recognised in consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is always recognised in consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to consolidated statement of profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through consolidated profit or loss are recognised in consolidated statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in consolidated statement of profit or loss.

3.19. New standards issued but not effective and hence not adopted

The following standards issued / modified by MCA are effective w.e.f. 1st April 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1st April 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1st April 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1st April 2018
Ind AS 28 – Investments in associates and joint ventures	1st April 2018
Ind AS 40 – Investment property	1st April 2018
Ind AS 112 – Disclosure of interest in other entities	1st April 2018

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

The Group is assessing the potential impact of above amendments on the consolidated financial statements. Management presently is of the view that it would not have a material impact on the consolidated financial statements.

Notes on consolidated financial statements for the year ended 31st March 2018

4 Property plant & equipment and intangible assets

4.1 Property plant & equipment and intangible assets as at 31st Mar 2018

(Rs. in lakhs)

Particulars	Gross block						Depreciation						Net block
	At 1st April 2017	Adjustments (Refer Note 15.1)	Additions	Sales / Dispose during the year	Foreign Exchange adjustment	At 31st March 2018	At 1st April 2017	Adjustments (Refer Note 15.1)	For the year	On Sales / Disposal	Foreign Exchange adjustment	At 31st March 2018	At 31st March 2018
Property plant & equipment (Tangible assets)													
Freehold land	56.70		-	-		56.70	-		-	-		-	56.70
Factory buildings	750.10		669.59	-		1,419.69	30.19		41.30	-		71.50	1,348.19
Plant and machinery	1,826.95	688.85	215.13	78.74	6.31	2,658.50	233.24	113.44	343.71	65.60	2.77	627.55	2,030.95
Microwave Machinery (R & D)	115.94		33.16	-		149.11	28.99		82.84	-		111.83	37.28
Windmill	1,224.11		10.61	-		1,234.71	55.25		55.63	-		110.89	1,123.82
Electrical installation	64.65		3.71	-		68.36	10.84		6.24	-		17.08	51.28
Office equipment	2.54		2.13	0.18		4.50	0.12	(0.10)	1.01	-		1.03	3.47
Computers	10.68		24.92	2.17	0.24	33.66	2.14		7.91	2.13	0.03	7.95	25.71
Furniture and fixtures	41.68	(2.11)	15.19	-	0.01	54.76	4.11	0.27	5.31	-	0.01	9.70	45.06
Vehicles	133.84	1.00	-	4.89	0.20	130.14	22.50	0.62	20.25	4.64	0.16	38.88	91.26
Dies	906.12		13.02	-		919.13	90.61		90.73	-		181.34	737.79
Sub-total (A)	**5,133.31**	**687.74**	**987.45**	**85.98**	**6.76**	**6,729.27**	**477.98**	**114.23**	**654.95**	**72.36**	**2.96**	**1,177.75**	**5,551.51**
Intangible assets (Other than internally generated)													
Software	70.41	6.98	14.15	-	0.04	91.59	8.75	-	10.31	-	0.02	19.08	72.51
Goodwill on acquisition	1,277.92	(818.00)	-	-	-	459.92	-	-	-	-	-	-	459.92
Sub-total (B)	**1,348.33**	**(811.02)**	**14.15**	**-**	**0.04**	**551.51**	**8.75**	**-**	**10.31**	**-**	**0.02**	**19.08**	**532.43**
Total [(A) + (B)]	**6,481.64**	**(123.28)**	**1,001.60**	**85.98**	**6.80**	**7,280.77**	**486.73**	**114.23**	**665.26**	**72.36**	**2.98**	**1,196.83**	**6,083.93**

4.2 Particulars

Particulars	2017-18	For the year 2016-17
Depreciation as per table 4.1 and 4.3	665.26	525.92
Less: Depreciation allocated to intangible assets under development	82.84	28.99
Less: Reversal of amortizaion of Goodwill	-	48.99
Net depreciation as per statement of profit & loss	**582.42**	**447.95**

Notes on consolidated financial statements for the year ended 31st March 2018

4.3 Property plant & equipment and intangible assets as at 31st Mar 2017

(Rs. in lakhs)

Particulars	Gross block						Depreciation / amortization						Net block
	At 1st April 2016	Adjustments	Additions	Sales / Discard	Foreign Exchange adjustment	At 31st March 2017	At 1st April 2016	Adjustments	For the year	On Sales / Discard	Foreign Exchange adjustment	At 31st March 2017	At 31st March 2017
Property plant & equipment (Tangible assets)													
Freehold land	56.70	-	-	-	-	56.70	-	-	-	-	-	-	56.70
Factory buildings(Refer note 4.5)	723.47	14.98	26.34	14.69	-	750.10	-	-	30.19	-	-	30.19	719.91
Plant and machinery	2,012.26	(249.77)	90.81	17.34	(9.01)	1,826.95	-	(36.27)	272.13	-	(2.62)	233.24	1,593.71
Microwave Machinery (R & D)	-	-	115.94	-	-	115.94	-	-	28.99	-	-	28.99	86.95
Windmill	1,224.11	-	-	-	-	1,224.11	-	-	55.25	-	-	55.25	1,168.86
Electrical installation	51.61	-	13.04	-	-	64.65	-	-	10.84	-	-	10.84	53.81
Office equipment	1.89	-	0.76	0.10	-	2.54	-	-	0.12		-	0.12	2.42
Computers	5.86	-	4.81	-	-	10.68	-	-	2.14	-	-	2.14	8.54
Furniture and fixtures	27.42	(1.02)	15.43	-	(0.15)	41.68	-	(0.09)	4.05		(0.03)	4.11	37.57
Vehicles	134.25	-	0.59	-	(1.00)	133.84	-	-	22.86	-	(0.36)	22.50	111.34
Dies	-	-	906.12	-	-	906.12	-	-	90.61	-	-	90.61	815.51
Sub-total (A)	**4,237.56**	**(235.81)**	**1,173.84**	**32.14**	**(10.16)**	**5,133.30**	**-**	**(36.36)**	**517.17**	**-**	**(3.01)**	**477.98**	**4,655.30**
Intangible assets (Other than internally generated)													
Software	68.30	-	2.12	-	-	70.42		-	8.75	-	-	8.75	61.67
Goodwill on acquisition	-	1,307.37	-	-	(29.45)	1,277.92	-	-	-	-	-	-	1,277.92
Sub-total (B)	**68.30**	**1,307.37**	**2.12**	**-**	**(29.45)**	**1,348.34**	**-**	**-**	**8.75**	**-**	**-**	**8.75**	**1,339.59**
Total [(A) + (B)]	**4,305.86**	**1,071.56**	**1,175.96**	**32.14**	**(39.61)**	**6,481.64**	**-**	**(36.36)**	**525.92**	**-**	**(3.01)**	**486.73**	**5,994.89**

4.4 The Company has elected to continue with the carrying value of property, plant & equipment and intangible assets as recognised in financial statements as per Indian GAAP and regard those values as deemed costs on the date of transition i.e 1st April 2016.

4.5 Factory Building is constructed on Leasehold Land.

4.6 Movement of capital work in progress (Rupees in lakhs)

Particulars	2017-18			
	P & M	**Building**	**Others**	**Total**
Opening capital work in progress	-	587.42	-	**587.42**
Add: Addition during the year	116.34	96.72	-	**213.06**
Less: Assets capitalized / reversed during the year	109.86	664.99	-	**774.85**
Closing capital work in progress	**6.48**	**19.15**	**-**	**25.63**

Particulars	2016-17			
	P & M	**Building**	**Others**	**Total**
Opening capital work in progress	3.00	229.70	20.34	**253.04**
Add: Addition during the year	73.03	377.81	119.71	**570.55**
Less: Assets capitalized / reversed during the year	76.03	20.09	140.05	**236.17**
Closing capital work in progress	**-**	**587.42**	**-**	**587.42**

Particulars	2015-16			
	P & M	**Building**	**Others**	**Total**
Opening capital work in progress	122.89	481.60	87.40	**691.90**
Add: Addition during the year	198.08	336.38	8.99	**543.45**
Less: Assets capitalized / reversed during the year	317.97	588.28	76.06	**982.31**
Closing capital work in progress	**3.00**	**229.70**	**20.33**	**253.04**

4.7 Movement of intangible assets under development

Particulars	**2017-18**	**2016-17**	**2015-16**
Opening intangible under development	107.15	**-**	65.65
Add: Additions during the year (Refer note 4.8)	212.22	107.15	1.89
Less: Reversed during the year	33.16	**-**	**-**
Less: Intangible capitalized during the year	**-**	**-**	67.54
Closing capital work in progress	**286.21**	**107.15**	**-**

4.8 Details of direct expenses and allocated indirect expenses incurred for intangible assets under development during the financial year 2017-18

Particulars	**FY 2017-18**	**FY 2016-17**
Salary & Wages	50.05	13.16
Professional Fees	29.12	7.39
Repairs & Maintenance Expenses	22.22	10.22
Materials, Stores & Spares	14.72	35.67
Other Expenses	13.27	11.72
Depreciation	-	-
Total	**129.37**	**78.16**

4.9 Details of remaining amortization period and carrying value of intangible assets is as given below:

Description	**Carrying amount as at**			**Remaining useful life as at (months)**		
	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Epicore software	50.45	56.78	63.10	88	100	112
Mastercam Mill 3D Purchase	8.26	-	-	33	-	-
HR Software	4.62	-	-	34	-	-
Other Softwares	3.61	4.89	5.20	11 to 24	11 to 24	11 to 24

4.10 Property plant & equipment and intangible assets as at 1st April 2016

(Rs. in lakhs)

Particulars	Gross block						Depreciation / amortization					Net block
	At 1st April 2015	Adjust- ments	Additions	Deduc- tions	Foreign Exchange adjustment	At 31st March 2016	At 1st April 2015	For the year	Deletions/ adjust- ments	Foreign Exchange adjustment	At 31st March 2016	At 31st March 2016
Property plant & equipment												
(Tangible assets)												
Freehold land	56.70	-	-	-	-	56.70	-	-	-		-	56.70
Factory buildings (Refer note 4.5)	355.34	-	580.11	-	-	935.45	191.19	20.79	-		211.98	723.47
Plant and machinery	3,435.43	13.70	797.89	38.65	18.48	4,226.85	1,933.34	295.33	15.30	1.21	2,214.58	2,012.28
Windmill	1,279.51	-	-	-	-	1,279.51	0.15	55.25	-		55.40	1,224.11
Electrical installation	162.37	-	35.29	-	-	197.66	131.98	14.07	-		146.05	51.61
Office equipment	18.35	-	1.52	-	-	19.87	13.06	4.92	-		17.98	1.89
Computers	33.37	-	7.29	-	-	40.65	26.38	8.41	-		34.79	5.86
Furniture and fixtures	17.35	0.84	18.39	-	0.10	35.00	4.91	2.67	-		7.58	27.42
Vehicles	76.87	-	123.20	4.64	-	195.43	45.99	19.52	4.41	0.09	61.19	134.25
Sub-total (A)	**5,435.29**	**14.54**	**1,563.68**	**43.29**	**18.58**	**6,987.13**	**2,347.00**	**420.96**	**19.71**	**1.30**	**2,749.55**	**4,237.59**
Intangible assets												
(Other than internally generated)												
Software	36.87	-	67.54	-	-	104.41	19.07	17.05	-	-	36.12	68.30
Sub-total (B)	**36.87**	**-**	**67.54**	**-**	**-**	**104.41**	**19.07**	**17.05**	**-**	**-**	**36.12**	**68.30**
Total [(A) + (B)]	**5,472.16**	**14.54**	**1,631.23**	**43.29**	**18.58**	**7,091.54**	**2,366.07**	**438.01**	**19.71**	**1.30**	**2,785.67**	**4,305.89**

4.11 First pari passu charge has been created on fixed assets (present and future) in respect of loans taken by the Holding Company (Refer Note 17.1) and on fixed assets (excluding Windmill) in respect of foreign currency loan of USD 2.750 Million outstanding as on 31st March 2018 (Outstanding as on 31st March 2017 - USD 1.800 Million) (Outstanding as on 1st April 2016 - USD 2.000 Million) taken by Pradeep Metals Limited, Inc. (Wholly Owned Subsidiary) in USA from Union Bank of India, Hong Kong.

(Rupees in lakhs)

5 Investments - Others	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non current Investment			
Unquoted equity instruments (fully paid)			
Equity shares at FVTPL			
TJSB Sahkari Bank Limited	0.05	0.05	0.05
100 (31st March 2017 : 100 and 1st April 2016: 100) shares of Rs. 50 each			
Total	**0.05**	**0.05**	**0.05**

5.1 Other disclosures of investment

Aggregate value of unquoted investment	0.05	0.05	0.05
Aggregate amount of impariment in value of investment	-	-	-

6 Loans (Non-current)
(Unsecured, considered good unless otherwise stated)

Loan to employees	2.72	-	-
Total	**2.72**	**-**	**-**

6.1 No loans and advances are due from directors or other officers of the Group either severally or jointly with any other person.

6.2 Loans are non derivative financial assets which generate fixed interest income for the Group. The carrying valve may be affected by changes in the credit risk of the counter party.

7 Other non-current financial assets

Security deposits	51.31	49.64	49.00
Deposit with bank (under lien)	-	-	0.74
Payment of cess under protest (Refer note 24.1)	-	60.29	-
Leasehold land	-	41.50	42.10
Total	**51.31**	**151.43**	**91.84**

7.1 Bank deposits aggregating to Rs. Nil (As on 31st March 2017: Rs. Nil and as on 1st April 2016 : Rs. 0.74) are under lien with bank towards guarantees issued by bank.

8 Other non-current assets(Unsecured, considered good unless otherwise stated)

Capital advances	357.72	372.73	462.63
Prepaid expenses	5.56	5.61	3.92
Leasehold land	40.90	-	-
Other assets	2.49	-	-
Total	**406.67**	**378.34**	**466.55**

9 Inventories

Raw material - Steel	1,034.08	858.85	534.17
Raw materials (Dies)	103.11	107.86	83.08
Work-in-progress	1,569.81	1,374.66	1,296.33
Stores, spares and consumables	102.72	106.58	110.61
Dies	-	-	906.12
Scrap (At net realisable value)	28.56	22.73	13.50
Finished goods	974.08	940.14	782.94
Total	**3,812.36**	**3,410.82**	**3,726.75**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
9.1 Refer note 3.6 for basis of valuation			
9.2 For inventories pledged against borrowings, refer note 17.1 and 20.1			
10 Trade receivables			
Unsecured			
Considered good	4,224.04	4,369.03	3,508.72
Considered doubtful	0.94	3.54	22.54
	4,224.98	**4,372.57**	**3,531.26**
Less: Loss allowance	0.94	3.54	22.54
Total	**4,224.04**	**4,369.03**	**3,508.72**

10.1 No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

10.2 For details of outstanding receivables from related parties. (Refer note 38.3)

10.3 Trade receivables are non - interest bearing and are generally on terms of 30 to 270 days.

10.4 Trade receivable includes export bills aggregating to Rs.1,529.44 lakhs (31st March 2017: Rs.1,627.63 lakhs and 1st April 2016: Rs.1,271.44 lakhs) purchased / discounted by the bank but pending realisation as on the date of the Balance Sheet & disclosed under working capital (short term borrowing). The Group has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Group has retained the late payment and credit risk.

10.5 Trade receivable includes Rs. Nil (31st March 2017 Rs. 0.35 lakh & 1st April 2016 Rs. 0.21 lakh) receivable from private company having common director.

10.6 Refer note 42 for policy on expected credit loss

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
11 Cash and bank balances			
Cash and cash equivalent			
Cash on hand	1.67	6.68	2.28
Balances with banks			
- In current accounts	87.84	190.59	341.10
- In fixed deposits	102.79	178.23	-
Total	**192.30**	**375.50**	**343.38**
Other bank balances			
- In fixed deposits (Refer note 11.2)	6.61	6.16	7.61
- Earmarked balances (on unclaimed dividend account)	31.39	31.45	35.49
Total	**38.00**	**37.61**	**43.10**

11.1 Bank deposits earns interest at fixed rates

11.2 Bank deposits aggregating to Rs. 6.61 lakhs (31st March 2017: Rs. 6.16 lakhs and 1st April 2016 : Rs.7.61 lakhs) are under lien with banks towards guarantees issued by bank.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
12 Other current financial assets			
(Unsecured, considered good unless otherwise stated)			
Sales tax refund receivable	118.35	298.05	502.98
Balance with government authorities	373.64	97.86	107.91
Other receivables	33.25	7.60	16.72
Income tax refund receivable (2015-16)	17.25	-	-
Compensation receivable from windmill Operator	-	100.00	-
Total	**542.49**	**503.51**	**627.61**

*Other receivables includes interest receivables, stamp duty receivables,etc.

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
12.1 Break up of financial assets carried at amortised cost			
Loans (Refer note 6)	2.72	-	-
Other financial assets (Refer note 7 & 12)	593.80	654.94	719.45
Trade receivables (Refer note 10)	4,224.04	4,369.03	3,508.72
Cash & cash equivalents (Refer note 11)	192.30	375.50	343.38
Other bank balance (Refer note 11)	38.00	37.61	43.10
Total	**5,050.86**	**5,437.08**	**4,614.65**
12.2 Break up of financial assets carried at fair value through P&L			
Investments (Refer note 5)	0.05	0.05	0.05
Total	**0.05**	**0.05**	**0.05**
13 Other current assets			
(Unsecured, considered good unless otherwise stated)			
Export incentive receivable			
- Considered good	215.37	268.76	248.33
- Considered doubtful	-	3.07	3.07
	215.37	**271.83**	**251.40**
Less: Provision for doubtful other current asset	-	3.07	3.07
	215.37	**268.76**	**248.33**
Advance to suppliers (other than capital advance)	18.93	14.71	2.20
Lease rent recoverable	-	-	81.68
Prepaid expenses	83.65	83.15	92.21
Amount recoverable from customers (Dies)	112.14	70.20	-
Total	**430.09**	**436.82**	**424.42**

13.1 No advances are due from directors or other officers of the Group either severally or jointly with any other person.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
14 Share capital			
14.1 Authorised capital			
Equity share capital			
18,500,000 (As on 31st March 2017 : 18,500,000 and as on 1st April 2016: 18,500,000) Equity Shares of Rs. 10 each	1,850.00	1,850.00	1,850.00
Preference share capital			
550,000 (As on 31st March 2017 : 550,000 and as on 1st April 2016: 550,000) Preference Shares of Rs.100 each	550.00	550.00	550.00
Total	**2,400.00**	**2,400.00**	**2,400.00**
14.2 Issued, subscribed and paid-up capital			
Issued			
17,270,000 (As on 31st March 2017 :17,270,000 and as on 1st April 2016: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00	1,727.00
Issued, subscribed and paid-up			
17,270,000 (As on 31st March 2017 :17,270,000 and as on 1st April 2016: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00	1,727.00
Less: Calls in arrear (other than directors/officers)	-	(0.74)	(0.74)
Total	**1,727.00**	**1,726.26**	**1,726.26**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
14.3 Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year			
Shares outstanding at beginning of the year	17,270,000	17,270,000	17,270,000
Shares issued during the year	-	-	-
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	**17,270,000**	**17,270,000**	**17,270,000**

14.4 Equity Shares held by each shareholder holding more than 5% shares

Name of shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
S. V. Shah Construction Services Private Limited	3,805,061	22.03	3,805,061	22.03	3,805,061	22.03
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13	1,576,400	9.13
Rabale Engineering (I) Private Limited	6,167,481	35.71	6,167,481	35.71	6,167,481	35.71
Mrs. Neeru P. Goyal**	919,927	5.33	919,927	5.33	-**	-**
Mr. Kewal Krishna Nohria*	-*	-*	890,000	5.15	926,700	5.37

* as on 31st March 2018 holding is not more than 5% and hence figures are not disclosed.

** as on 1st April 2016 holding is not more than 5% and hence figures are not disclosed.

14.5 The Holding Company has only one class of issued shares having a par value of R. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets ot the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.6 Shares held by holding company and /or their subsidiaries

The Holding Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries.

15 Securities premium account

Securities premium account is used to record the premium on issue of equity shares. The same shall be utilised in accordance with the provisions of The Companies Act, 2013.

15.1 Acquisition of NCI and resivision of financial statements by WOS and SDS

a The ongoing dispute between wholly owned subsidiaries (WOS) [holding 51% in Step down subsidiaries (SDS)] and erstwhile partner (holding 49% in SDS) has been settled out of court in current financial year. As per the settlement agreement, WOS has acquired the 49% share from the erstwhile partner and SDS has now become 100% subsidiary of WOS retrospectively w.e.f. 27th September, 2016. Accordingly, management of WOS and SDS have revised the financial statements for the earlier years. Consequently, the net reduction in profit by Rs. 83.83 Lakhs (consisting of increase in profit on account of revision in statement of profit & loss of WOS & SDS and reduction in profit on account of recomputation of allocation of loss to non-controlling interest and losses post acquisition of 49% share) has been adjusted in opening 'Other equity' as on 1st April 2017. Simultaneously, goodwill on acquisition has been recomputed by SDS and reduced by Rs. 818.00 lakhs.

On account of these changes, current year figures are not comparable with previous year.

b As stated above, the ownership of the Group in SDS has increased from 51% to 100%. The carrying amount of NCI acquired as on 26th September 2016 was Rs. 146.96 lakhs. The decrease in equity attributable to owners is computed below:

Particulars	**Rupees in Lakhs**
Carrying amount of NCI acquired	146.96
Consideration paid to NCI	410.55
Decrease in equity attributable to owners	**(263.59)**

16 Non controlling interest
Information regarding non-controlling interest - summarised balance sheet and statement of profit and loss

(Rupees in lakhs)

Particulars	**Dimensional Machine Works LLC**	
	As at 31st March 2017*	**As at 1st April 2016**
NCI percentage	49%	49%
Non-current asstes	1,489.52	576.84
Current assets	1,267.88	1,034.16
Non-current liabilities	98.66	125.22
Current liabilities	1,320.43	652.47
Net assets	**1,338.31**	**833.32**
Net assets attributable to NCI (Also refer note 16.1)	**655.77**	**408.33**
Revenue	1,062.04	2,062.04
Profit	(801.04)	(295.12)
OCI	-	-
Total Comprehensive income	(801.04)	(295.12)
Profit allocated to NCI	**(393.01)**	**(144.61)**
OCI allocated to NCI	**-**	**-**
Total Comprehensive income allocated to NCI	**(393.01)**	**(144.61)**
Cash flows from (used in) operating activities	667.68	609.04
Cash flows from (used in) investing activities	(157.71)	(633.29)
Cash flows from (used in) financing activities	(599.74)	39.99
Net increase (decrease) in cash and cash equivalents	**(89.77)**	**15.74**

* Does not consider changes/effects on account of retrospective acquisition of balance 51% share in SDS. [Also refer note 15.1(a)]

16.1 Since capital contribution by NCI in SDS was not 49%, net assets attributable to NCI will not match with the NCI balance as reflected in balance sheet

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
17 Borrowings (Non current)			
Secured			
Term loans			
From banks			
- Foreign currency loan [Refer note 17.1 (i) and 17.2]	1,693.33	1,013.31	785.62
- Rupee loan[Refer note 17.1 (i) and 17.2]	135.35	410.00	335.05
- Vehicle loan [Refer note 17.1 (ii) and 17.2]	26.08	39.66	58.39
- Term loan	1,609.95	907.74	1,193.99
From other parties			
- Vehicle loan	9.99	11.21	20.34
- Machinery loan	59.14	87.44	102.22
Total	**3,533.84**	**2,469.36**	**2,495.61**

17.1 Details of security provided

(i) In case of holding company, term loans (Foreign currency loans & Rupee loans) are secured by charge on pari passu basis on fixed assets of the Holding Company (present and future) and second charge on current assets. The loans are further secured by personal guarantee of Chairman and Managing Director of the Holding Company.

(ii) In case of subsidiary company, term loan is secured by (a) first charge on pari passu basis over the fixed assets of the Holding Company and its corporate guarantee, (b) pledge over 60 shares amd non-disposal undertaking of 140 shares held by holding company in WOS, (c) pledge of over 30% membership interest and non-disposal undertaking of 21% membership interest held by WOS in SDS and (d) Personal guarantee of Chairman and Managing Director of the Holding Company.

(iii) Vehicle loan from bank is secured against hypothecation of the vehicle against which the loan has been taken. The loan is further secured by personal guarantee of Chairman and Managing Director and one Director of the Holding Company.

(iv) Machinery loan taken by SDS is secured by hypothecation of machine and is guaranteed by WOS.

17.2 Terms of repayment and maturity profile of the term loan is as set out below:

Borrowings			
Term loan - VII Repayable in 15 quarterly installments of Rs. 27.35 lakhs each starting from July 2014 and last installment paid on 29.01.2018 of Rs. 15.43 lakhs.	-	97.49	206.90
Term loan - VIII Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016. This loan was converted into foreign currency term loan VIII.	-	-	357.57
Term loan - X Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017.	35.35	63.25	-
WCTL Repayable in 17 quarterly installments of Rs. 30.00 lakhs each starting from September 2017.	100.00	500.00	-
Term loan XII Repayable in 20 quarterly installments of Rs. 18.00 lakhs each starting from June 2018.	63.67	-	-

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Foreign currency term loan VIII Repayable in 16 quarterly installments of Rs. 30.00 lakhs each starting from June 2016.	240.83	343.24	-
Foreign currency term loan IX Repayable in 21 quarterly installments of Rs. 50.00 lakhs each starting from January 2017.	764.81	754.59	835.61
Foreign currency term loan X Repayable in 16 quarterly installments of Rs. 29.00 lakhs each starting from September 2017.	303.37	264.48	-
Foreign currency term loan XI Repayable in 20 quarterly installments (First ten installments of Rs. 20.00 lakhs each and next ten installments of Rs. 50.00 lakhs each) starting from June 2018.	705.47	-	-
Foreign Currency - Working Capital term loan Repayable in 17 quarterly installments of Rs. 30.00 lakhs each starting from September 2017.	314.85	-	-
Vehicle loan (i) In case of holding company, repayable in 60 equated monthly installment of Rs. 1.56 lakhs (including interest) each starting from February 2016. (ii) In case of subsidiary company, repayable in 48 installments from July 2015.	55.44	78.27	99.63
Term loan (i) USD 20,00,000 repayable in quarterly installments [3 installments of USD 1,00,000, 12 installments of USD 50,000 and 5 installments of 2,20,000] starting from 31st October 2016 till 31st July 2021. (ii) USD 12,00,000 repayable in quarterly installments [12 installments of USD 40,000 and 6 installments of 1,20,000] starting from 31st December 2018 till 31st January 2023.	1,792.45	1,167.09	1,326.66
Machinery loan Repayable in installments till August 2022	73.52	87.44	102.22
Total	**4,449.76**	**3,355.86**	**2,928.59**

Above figures are including current maturity as disclosed in note 22.

18 Provisions (Non current)

Provision for employee benefits			
- Leave benefits [Refer note 49 (b)]	22.92	43.15	101.76
- Gratuity [Refer note 49 (a)]	16.06	38.55	74.66
Total	**38.98**	**81.70**	**176.42**

19 Income & deferred taxes

The major components of income tax expense for the years ended 31st March 2018 & 31st March 2017 are:

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017
19.1 Statement of profit & loss		
Current income tax		
Current income tax charge	423.35	237.34
Deferred tax		
Relating to origination and reversal of temporary differences of current year	(79.49)	21.61
Income tax, deferred tax and MAT credit of earlier years (net)	9.46	5.47
Tax expense reported in the statement of profit & loss	**353.32**	**264.42**
19.2 Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI		
Net loss / (gain) on re-measurements of defined plans	3.76	12.01
Deferred tax charge/(credit)	**3.76**	**12.01**
19.3 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2017 and 31st March 2018		
Accounting profit before tax from operations	806.24	(13.41)
Applicable income tax rate	34.61%	33.07%
	279.03	(4.44)
- Losses of subsidiaries not allowed under income tax	126.82	262.19
- Donation & other disallowances	2.71	1.20
- Reversal of Deferred tax liability (net of deferred tax asset) on account of enacted rate of 29.12% considered as on 31st March 2018	(64.70)	-
- Income tax, deferred tax and MAT credit of earlier years (net)	9.47	5.47
Subtotal	**353.32**	**264.42**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
19.4 Deferred tax liabilities			
Deferred tax relates to the following:			
Differences in depreciation and amortization for accounting and income tax purposes	536.57	611.11	547.35
Provision for doubtful debts / advances	(4.58)	(2.19)	(10.06)
Provision for NMMC cess liability	(18.14)	(11.55)	-
Provision for employee benefits	(41.25)	(74.38)	(73.81)
Disallowance under section 43B of Income Tax Act, 1961	-	(27.70)	(45.31)
Sub-total	472.60	495.29	418.17
MAT credit entitlement	-	(62.25)	(68.88)
Net deferred tax liabilities	**472.60**	**433.04**	**349.29**
19.5 Reflected in the balance sheet as follows			
Deferred tax assets	(63.97)	(178.07)	(198.06)
Deferred tax liabilities	536.57	611.11	547.35
Deferred tax liabilities (net)	**472.60**	**433.04**	**349.29**

	As at 31st March 2018	As at 31st March 2017
19.6 Deferred tax expenses / (income)		
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	(74.54)	63.75
Provision for doubtful debts / advances	(2.39)	7.87
Provision for NMMC cess liability	(6.59)	(11.55)
Provision for employee benefits	33.14	(0.57)
Disallowance under section 43B of Income Tax Act, 1961	27.70	17.61
Net deferred tax charge/(credit) (refer note 19.7)	**(22.68)**	**77.12**

(Rupees in lakhs)

19.7 Reconciliation of deferred tax liabilities (net and excluding MAT credit entitlement)

Opening balance	495.29	418.17
Tax income / (expense) during the period recognised in profit or loss	(79.49)	21.60
Reversal of tax income / (expense) during the period recognised in profit or loss in respect of previous year	60.54	67.56
Tax income / (expense) during the period recognised in OCI	(3.76)	(12.01)
Sub-total	**(22.72)**	**77.15**
Closing balance	**472.57**	**495.32**

19.8 The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and intends either to settle on a net basis. Further, in view of uncertainity, deferred tax assets are not recognised on brought forward losses of subsidiaries.

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
20 Borrowings (Current)			
Secured			
From bank			
Working capital loans			
- Cash credit (Repayable on demand) [Refer note 20.1 (a)]	872.20	1,772.12	1,951.33
- Packing credit [Refer note 20.1 (b)]	2,421.53	2,572.98	2,531.09
- Bills discounted [Refer note 20.1 (c)]	1,529.44	1,627.63	1,271.44
Total	**4,823.17**	**5,972.73**	**5,753.86**

20.1 Details of security provided on working capital loans

a) Cash credit (secured)

Working capital loans are secured by first charge on pari passu basis against hypothecation of stocks of semi-finished and finished goods, raw materials, consumable sores and spares (also refer note 9), book debts (also refer note 10) including biils discounted / purchased and second charge on its fixed assets. The loans are further secured by personal guarantee of Chairman & Managing Director of the Company. Cash credit is repayable on demand.

b) Pre / Post shipment packing credit

The loan is secured against hypothecation of stocks of semi finished and finished goods, raw materials, work-in-progress, consumables stores and spares (also refer note 10), book debts (also refer note 11), etc. Pershipment packing credit - foreign currency (secured & unsecured) is repayable within 180 days.

c) Bill discounting with banks

The loan is secured against hypothecation of stocks of semi finished and finished goods, raw materials, work-in-progress, consumable stores and spares (also refer note 10), book debts (also refer note 11) etc. Bill discounting with banks is repayable within 30 to 270 days.

All the working capital loans are secured by personal guarantee of Chairman and Managing director of the Holding Company.

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
21 Trade payables			
Trade payables (including acceptances)			
- Dues to micro & small enterprises [Refer note 21.1]	0.50	-	-
- Dues to other than micro & small enterprises (including related parties payables)	1,574.90	1,745.04	1,228.68
Total	**1,575.40**	**1,745.04**	**1,228.68**

21.1 Terms & conditions of the above financial liabilities:

Trade payables are non-interest bearing and are generally settled on 15 to 90 days terms

For details of balances outstanding of related parties, refer note 38.3)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
22 Other current financial liabilities			
Current maturity of long term borrowings			
- Machinery loan	14.38	-	-
- Term loan	182.50	259.35	132.67
- Rupee loan	63.67	250.75	229.41
- Foreign currency loan	636.00	349.00	50.00
- Vehicle loan	19.37	27.39	20.90
Interest accrued but not due	2.00	56.05	46.89
Trade payable for capital goods	57.82	159.56	190.87
Unpaid dividend	31.39	31.45	35.50
Forward contract foreign currency payable (net)	-	0.64	-
Accrued expenses	362.79	250.40	220.40
Purchase consideration payable to seller	-	175.66	287.41
Salary and wages payable	115.31	101.90	75.55
Other liabilities*	109.05	79.32	42.95
Deferred penalty payable	-	-	2.66
	1,594.28	**1,741.47**	**1,335.21**

*Other liabilities includes amount deducted from employees and payable to various authorities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
22.1 Break up of financial liabilities carried at amortised cost			
Borrowings	8,357.01	8,442.09	8,249.48
Other financial liabilities	1,594.28	1,741.47	1,335.21
Trade payable	1,575.39	1,745.04	1,228.68
Total	**11,526.68**	**11,928.60**	**10,813.37**
23 Other current liabilities			
Advances from customers	5.44	9.27	6.07
Statutory liabilities	36.19	36.73	18.19
Total	**41.63**	**46.00**	**24.26**

(Rupees in lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
24 Provisions (Current)			
Provision for employee benefits			
- Leave benefits [Refer note 49 (b)]	118.73	99.22	21.79
- Gratuity [Refer note 49 (a)]	49.71	44.08	32.98
Provision for contingency (Refer note 24.1)	2.00	35.21	42.13
Total	**170.44**	**178.51**	**96.90**

24.1 Movement of provision for contingencies

(Rupees in lakhs)

Particulars	Margin on sales return (a)	NMMC (b)	Provision for bonus (c)	Total (a+b+c)
Opening balance as on 1st April 2016	**0.89**	**15.00**	**26.25**	**42.14**
Add: Provision made	0.27	19.94	-	20.21
Less: Utilised / paid	0.89	-	-	0.89
Less: Write back	-	-	26.25	26.25
Closing balance as on 31st March 2017	**0.27**	**34.94**	**-**	**35.21**
Add: Provision made (net)	1.58	25.50	-	27.08
Less: Utilised / paid	-	60.29	-	60.29
Less: Write back	-	-	-	-
Closing balance as on 31st March 2018	**1.85**	**0.15**	**-**	**2.00**

Note :

Provision for contingency represents provision for (a) expected margin on sales return and (b) provision for disputed Navi Mumbai Municipal Cess ('NMMC'). In respect of (a) the outflow is expected to be within a period of one year. In respect of (b), the Company had paid Rs.60.29 lakhs under protest. During the year, Company has adjusted the payment under protest to the extent of expected liability though the outcome of appeal is pending to be received. Expected outflow of interest / penalty depends on outcome of the appeal filed.

(Rupees in lakhs)

		Year ended 31st March 2018	Year ended 31st March 2017
25 Revenue from operations			
Sale of products (including excise duty upto June 2017)		14,364.33	12,178.04
Sale of services			
Job work and tooling charges [Including Rs.58.65 lakhs (Previous year Rs. Nil) for compensation towards early termination of contract.]		171.96	27.44
Other operating revenues			
- Export incentives		388.53	208.90
- Sale of electricity - windmill		182.31	127.28
- Scrap sales		1,167.17	948.98
- Sundry balances written back		8.08	-
- Compensation from windmill operator		-	100.00
		1,746.09	**1,385.16**
Total		**16,282.38**	**13,590.63**
26 Other income			
Interest income on			
- Fixed deposit		0.77	0.64
- Others		19.31	8.19
Provision for contingencies written back (Refer note 24.1) (net)		0.03	-
Miscellaneous income*		29.27	28.63
Foreign exchange fluctuation - gain (Net)		214.18	120.42
Total		**263.56**	**157.88**

* Miscellaneous income includes sundry scrap & miscellaneous recoveries.

		Year ended 31st March 2018	Year ended 31st March 2017
27 Cost of raw materials consumed			
Inventory at the beginning of the year		858.85	534.17
Add : Purchases		6,838.08	6,005.28
		7,696.93	**6,539.45**
Less : Inventory at the end of the year		1,034.08	858.85
Cost of raw materials consumed		**6,662.85**	**5,680.60**
28 Changes in inventories of work-in-progress and scrap			
Inventory at the beginning of the year			
Finished Goods		973.60	782.94
Less: adjustment on account of settlement with SDS partner		(4.14)	
Work-in-progress		1,374.66	1,296.33
Scrap		22.73	13.50
	(A)	**2,366.85**	**2,092.77**
Inventory at the end of the year			
Finished Goods		974.08	973.60
Work-in-progress		1,569.81	1,374.66
Scrap		28.56	22.73
	(B)	**2,572.45**	**2,370.99**
Total	**(A-B)**	**(205.60)**	**(278.22)**

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
29 Manufacturing expenses		
Dies expenses	200.77	140.07
Consumption of Stores & Spares	603.11	560.69
Other freight inward and other expenses	138.52	49.45
Cess expenses (NMMC)	25.50	-
Power, fuel and water	756.93	655.86
Insurance expenses	71.21	77.14
Repairs and maintenance		
- Plant and machinery / Wind Mill	231.90	181.23
- Building	4.10	19.34
Contract labour expense	495.60	288.84
Job work expenses	1,097.07	927.75
Rent (Refer note 37)	80.88	348.44
Other manufacturing expenses	8.28	-
Total	**3,713.87**	**3,248.81**
30 Employee benefit expense		
Salaries, wages and bonus (including managerial remuneration)	2,239.84	2,019.33
Contribution to provident and other funds	199.98	193.64
Gratuity expenses [Refer note 49 (a)]	45.86	37.64
Leave benefits [Refer note 49 (b)]	14.27	34.97
Workmen and staff welfare expenses	55.07	48.92
Total	**2,555.02**	**2,334.50**
31 Finance costs		
Interest on bank facilities	529.84	512.77
Other interest costs*	17.51	23.07
Bank charges	108.18	102.95
Premium on forward contract	2.91	0.13
Foreign exchange loss (attributable to finance cost) (Refer note 31.1)	62.25	-
Total	**720.69**	**638.92**

*Other interest costs includes interest paid / payable to income tax authorities, interest on vehicle loans, etc.

31.1 The foreign exchange loss relates to foreign currency term loans and working capital loans to the extent considered as an adjustment to the interest cost.

(Rupees in lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
32 Other expenses		
Freight outward	688.48	441.79
Professional and legal fees	433.34	338.59
Travelling and conveyance	90.63	100.31
Rates and taxes	145.92	33.75
Repairs and maintenance - Others	13.70	14.45
Payment to auditors	17.04	13.13
Directors sitting fees	4.10	4.60
Sundry balance written off	8.23	-
Provision for doubtful debts	-	(0.04)
Bad debts written off	17.89	19.50
Less: Provision for doubtful debts utilised	(2.60)	(12.36)
Corporate Social Responsibility	12.59	17.22
Donation	1.54	0.30
Loss on sale and discard of fixed assets	13.55	23.66
Miscellaneous expenses*	174.78	120.13
Total	**1,619.19**	**1,115.03**

* Miscellaneous expenses includes office expenses, loss on sale of MEIS licences, printing, stationery, postage, security, selling, communication etc.

33 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below

(Rupees in lakhs)

Particulars	Attributable to owners			Attributable to NCI	Total
	During the year ended March 31, 2018	Exchange differences on translation of foreign operations	Tax		
Re-measurement gains (losses) on defined benefit plans	(11.73)	-	3.76	-	**(7.97)**
Exchange differences on translation of foreign operations	-	69.71	-	-	**69.71**
Total	**(11.73)**	**69.71**	**3.76**	**-**	**61.74**

Particulars	Attributable to owners			Attributable to NCI	Total
	During the year ended March 31, 2017	Exchange differences on translation of foreign operations	Tax		
Re-measurement gains (losses) on defined benefit plans	(36.32)	-	12.01	-	**(24.31)**
Exchange differences on translation of foreign operations	-	(11.21)	-	-	**(11.21)**
Total	**(36.32)**	**(11.21)**	**12.01**	**-**	**(35.52)**

(Rupees in lakhs)

		Year ended 31st March 2018	Year ended 31st March 2017
34 Earnings per equity share			
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders of parent (in Rs. lakhs)	(A)	452.92	115.18
Denominator for basic EPS			
Weighted average number of equity shares for basic EPS	(B)	17,270,000	17,270,000
Denominator for diluted EPS			
Weighted average number of equity shares for diluted EPS	(C)	17,270,000	17,270,000
Basic earnings per share of face value of Rs.10/- each (in Rs.)	**(A/B)**	2.62	0.67
Diluted earnings per share of face value of Rs.10/- each (in Rs.)	**(A/C)**	2.62	0.67

35 Contingent liabilities

(a) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to financial statements. Details of contingent liabilities not provided for are given below:

(a) Letters of guarantee issued by bank	59.13	59.13
(b) Claim for Navi Mumbai Municipal Cess payable (net of provision for contingency)	-	25.36
(c) Claim against the Company not acknowledged as debts (Net)	26.25	26.25

(i) In respect of (a) above, the Holding Company does not expect any cash outflow till such time contractual obligations are fulfilled.

(ii) In respect of (b) and (c) above, future cash out flows (including interest / penalty) are determinable on receipt of judgments from tax authorities / labour court.

(iii) In respect of (b) above, during the year, the Company has adjusted the payment made under protest of Rs.60.29 lakhs against the provision made of Rs.60.44 lakhs (31st March 2017: Rs.34.94 lakhs). The hearing for appeal is under progress. Cash outflow for interest and penalty can be determined only upon the outcome of the appeal.

(b) The Holding Company had received order under Income Tax Act for Assessment Year 2015-16 in earlier year as per which the department has withhold refund to the extent of credit of dividend taxes paid. In this regard, the Holding Company had filed rectification application for the same. The Holding Company does not expect any demand from tax department and hence not treated as contingent liability.

(c) There are no contingent liabilities in WOS as well as SDS.

36 Capital and other commitments

Capital commitment for tangible assets (net of advance paid) - Rs. 413.18 lakhs (31st March 2017: Rs. 436.96 lakhs, 1st April 2016: Rs. 669.66 lakhs) . There are no other commitments. Capital commitment for intangible assets (net of advance paid) - Nil (31st March 2017: Rs. Nil, 1st April 2016: Rs. Nil)

37 Disclosure of lease - Operating leases

As lessee

The Holding Company and SDS has taken factory premises and machinery under operating lease basis. Rent incurred with respect to cancellable operating lease (machinery) is 56.88 lakhs (31st March 2017: Rs. 46.02 lakhs). With respect to non-cancellable operating lease arrangement (factory premises), rent for the year and the future minimum lease payments is as under:

Lease rent expenses debited to statement of profit and loss [Refer note 29]	24.00	302.42
Future lease rent payable		
- Not later than one year	4.00	158.68
- Later than one year and not later than five years	-	377.10
- Later than five years	-	242.03
- Contingent rent payable	-	-

38 Related party disclosure

38.1 Name of the related parties and related party relationship

Description of relationship	Name of the Related Party
Director / Key management personnel (KMP)	Mr. Pradeep Goyal, Chairman & Managing Director of Holding Company
Relatives of key management personnel	(a) Neeru P. Goyal (Wife of KMP, also director in the Holding Company) (b) Abhinav Goyal (Son of KMP)
Enterprises owned or significantly influenced by key management personnel or their relatives	Dhanlabh Engineering Works Private Limited Economic Forge Private Limited
Enterprise having significant influence over the Holding Company	S.V. Shah Constructions Services Private Limited Rabale Engineering (I) Private Limited

Note: Designated Key Managerial Personnel as required by Section 2013 of the Compnaies Act, 2013 are not considered to be Key Management Personnel (Related party) for the purpose of disclosure under Ind AS 24.

38.2 Related party transactions

(Rupees in lakhs)

Name of the related party	Nature of the Transaction	Year ended 31st March 2018	Year ended 31st March 2017
Dhanlabh Engineering Works Private Limited	Labour charges paid	65.16	50.85
	Purchase	-	0.93
	Sales	0.92	2.47
	Rent expenses	29.27	28.68
	Electricity charges (Reimbursement)	17.81	13.53
Economic Forge Private Limited	Labour charges paid	-	0.34
Abhinav Goyal	Salary paid	30.70	58.06
Neeru P. Goyal	Sitting fees paid	0.40	0.45
Pradeep Goyal	Managerial remuneration payable	84.00	84.00

* Does not include gratuity and leave encashment since the same is considered for all employees (including the above KMPs) of the Company as a whole and also does not include reimbursement of expenses.

38.3 Balance outstanding as at the year end

(Rupees in lakhs)

Name of the related party	Nature of outstanding	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Economic Forge Private Limited	Trade payable	-	-	0.84
Dhanlabh Engineering Works Private Limited	Trade payable	15.46	12.17	8.41
	Trade receivable	-	0.35	0.21
Pradeep Goyal	Managerial remuneration	3.90	2.65	6.90

Note: In addition to above transactions, Chairman and Managing Director of the Holding Company has given personnel guarantee for loan facilities taken by the Holding Company / WOS (Refer note 17.1 & 20.1)

38.4 Outstanding balances at the year end are unsecured with a short term duration and interest free. For the year ended March 31, 2018 the Group has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2017 : Nil, April 1, 2016 : Nil). This assessment is undertaken in each financial year through examining the financial position of the related party & the market in which the related party operates.

38.5 All transactions were made on normal commercial terms and conditions and at market rates.

39 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2018, other than those with carrying amounts that are reasonable approximates of fair values:

(Rupees in lakhs)

Particulars	Carrying value			Fair Value		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i) Investments	0.05	0.05	0.05	0.05	0.05	0.05
(ii) Loans	2.72	-	-	2.72	-	-
(iii) Other non-current financial assets	51.31	151.43	91.84	51.31	151.43	91.84
(iv) Trade receivables	4,224.04	4,369.03	3,508.72	4,224.04	4,369.03	3,508.72
(v) Cash and cash equivalents	192.30	375.50	343.38	192.30	375.50	343.38
(vi) Bank balances other than (ii) above	38.00	37.61	43.10	38.00	37.61	43.10
(vii) Other current financial assets	542.49	503.51	627.61	542.49	503.51	627.61
Total financial assets	**5,050.91**	**5,437.13**	**4,614.71**	**5,050.91**	**5,437.13**	**4,614.71**
(i) Borrowings (Non-current)	3,533.84	2,469.36	2,495.61	3,533.84	2,469.36	2,495.61
(ii) Trade payable	1,575.39	1,745.04	1,228.68	1,575.39	1,745.04	1,228.68
(iii) Other current financial liabilities	1,594.28	1,741.47	1,335.21	1,594.28	1,741.47	1,335.21
(iv) Borrowings (Current)	4,823.17	5,972.73	5,753.86	4,823.17	5,972.73	5,753.86
Total financial liabilities	**11,526.68**	**11,928.60**	**10,813.37**	**11,526.68**	**11,928.60**	**10,813.37**

The management assessed that the fair value of cash and cash equivalent, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

40 Significant estimates and assumptions

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

b Defined benefit plans & other long term benefits

The cost of the defined benefit gratuity plan and other long term benefit and the present value of the gratuity obligation and leave benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

c Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 48 for further disclosures.

d Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f Provision for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving inventories has been made in the financial statement

g Impairment review of goodwill

The group tests for impairment of goodwill every year on 31st March. The impairment assessment is based on value in use. During the year ended 31st March 2018, the testing did not result in any impairment in the carrying amount of goodwill. The carrying amounts of goodwill is attributable to Dimensional Machine Works LLC. The recoverable amount is calculated based on value in use which has been determined based on business plans that have been approved by management for internal purposes. Key assumptions used for calculation of value in use are Earnings before interest and taxes (EBIT), Discount rate, Growth rates and Capital expenditures. With regard to assessment of value in use, any reasonable change in any of the above key assumptions will not cause the carrying amount of goodwill to exceed the recoverable amount.

41 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Holding Company had used foreign exchange forward contracts to manage repayment of some of its foreign currency denominated borrowings in the past. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings. However, considering that the Holding Company has a natural hedge in the form of exports receivables, the Holding Company does not book foreign exchange forward contracts.

42 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Risk Management Committee (RMC) that advises on financial risks and the appropriate financial risk governance framework for the Group. The RMC provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by experienced members from the senior management who have the relevant expertise, appropriate skills and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits, .

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Holding Company generally converts its borrowings in Foreign Currency, considering natural hedge it has against its export. All foreign currency debt obligations carry floating interest rates.

Interest rate sensitivity

The Group's total interest cost the year ended March 31, 2018 was Rs.720.69 lakhs and for year ended March 31, 2017 was Rs.638.92 lakhs. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	Effect on PBT and equity (Rs. In lakhs)
March 31 2018	+50	19.82
	-50	(19.82)
March 31 2017	+50	18.83
	-50	(18.83)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's export revenue and long term foreign currency borrowings.

The Group manages its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and Group keep its long term foreign currency borrowings un-hedged which will be natural hedge against its un-hedged exports. The Group may hedge its long term borrowing near to the repayment date to avoid rupee volatility in short term. The company also avails bill discounting facilities in respect of export receivables.

Commodity price risk

Group is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of steel. Due to significant volatility of the price of the steel, the Group has agreed with its customers for pass-through of increase/decrease in prices of steel. There may be lag effect in case of such pass-through arrangement.

Commodity price sensitivity

The Group revises its prices to customers on quarterly basis by considering average raw materials prices prevailing in the previous quarter impying it passes through any increase in prices thereby minimising the impact on the profit and loss and equity of the Group.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and other receivables and deposits, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Further, Group's customers includes companies having long standing relationship with the Group. Outstanding customer receivables are regularly monitored and reconciled. At March 31, 2018, receivable from Group's top 5 customers accounted for approximately 30% (March 31, 2017: 36%) of all the receivables outstanding. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group does not hold collateral as security except in case of few customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk

As per the Group's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Group evaluates the option of refinancing entire or part of repayments for extended maturity. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Group.

The table below summarises the maturity profile of the Company's financial liabilities

(Rupees in lakhs)

Particulars	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Less than 1 year			
Borrowings	4,823.17	5,972.73	5,753.86
Trade and other payables	1,575.39	1,745.04	1,228.68
Other financial liabilities	678.35	854.98	902.23

Current maturity of long term borrowings	915.93	886.50	432.98
	7,992.84	**9,459.24**	**8,317.76**
1 to 5 years			
Borrowings	3,533.84	2,469.36	2,495.61
Trade and other payables	-	-	-
	3,533.84	**2,469.36**	**2,495.61**
Total	**11,526.68**	**11,928.60**	**10,813.37**

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt equity ratio, which is debt divided by equity.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

44 Segmental disclosure

The Group is primarily engaged in manufacturing of closed die steel forgings & processing and holding company is also into power generation from wind turbine which is supplied to Maharashtra State Electricity Distribution Company Limited (MSEDCL).

(Rupees in lakhs)

Particulars	Closed die forging and processing	Power generation	Power generation
44.1 Segment Revenue-Gross			
External revenue	16,100.07	182.31	16,282.38
Previous year	13,467.79	122.86	13,590.65
44.2 Segment Results			
Segment total	1,270.15	101.68	1,371.83
Previous year	544.64	166.24	710.88
Unallocated corporate expenses net of unallocated income			(155.39)
Previous year			86.34
Profit before interest etc. and taxation			
Less: Finance costs			720.70
Previous year			638.92
Profit before tax			**806.24**
Previous year			
Tax expense			**353.32**
Previous year			264.42

Profit for the year			**452.92**
Previous year			(277.83)

44.3 Other information

Segment assets	13,750.82	1,261.36	15,012.18
Previous year	12,604.59	1,653.33	14,257.92
Unallocated Corporate assets			1,377.47
Previous year			2,510.58
Segment liabilities	2,546.90	-	2,546.90
Previous year	2,531.10	127.62	2,658.72
Unallocated Corporate liabilities			9,918.31
Previous year			10,313.44
Depreciation / amortization	526.79	55.63	582.42
Previous year	392.70	55.25	447.95
Capital expenditure	341.52	-	341.52
Previous year	1,529.91	-	1,529.91

44.4 Secondary segment: Geographical information

Sales, service income and other operating revenue by geographical market:

(Rupees in lakhs)

Locations	**As at 31st March 2018**	**As at 31st March 2017**
Within India	5,993.07	5,198.37
Outside India	10,289.31	8,392.28
Total	**16,282.38**	**13,590.65**

Note : Revenue within India includes sales to customers located within India and revenue outside India includes sales to customers located outside India.

Trade receivable at year end:

(Rupees in lakhs)

Locations	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
India	860.00	1,025.66	760.00
Outside India	3,364.04	3,343.37	2,748.73
Total	**4,224.04**	**4,369.03**	**3,508.72**

Note: Above figures are net of provision Rs. 0.94 lakhs (31st March 2017 : Rs. 3.54 lakhs, 1st April 2016: Rs. 12.36 lakhs)

Notes:

1 The operating segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief operating decision maker.

2 The business segment comprise the following:
   a) Closed Die Forging and Processing
   b) Power Generation

3 The geographical information considered for disclosure are: Sales within India and Sales outside India

4 Reliance on major customers:Two customers represents more than 10% of the consolidated revenue. Total revenue from these major customers amounts to Rs. 3,642.67 lakhs (FY16-17: 2,789.17 lakhs).

45 Disclosure in respect of derivative instruments

(a) Derivative instruments outstanding

Particulars	As on 31st March 2018			As on 31st March 2017		
	Open forward contracts			Open forward contracts		
	No. of contracts	USD (in lakhs)	Rs. in lakhs	No. of contracts	USD (in lakhs)	Rs. in lakhs
Against foreign currency term loan	-	-	-	2.00	4.68	303.50

(b) All the derivative instruments have been acquired for hedging purpose

46 Foreign currency exposures that are not hedged by derivative instruments.

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Amount in Foreign Currency (in lakhs)	Rs. in lakhs	Amount in Foreign Currency (in lakhs)	Rs. in lakhs	Amount in Foreign Currency (in lakhs)	Rs. in lakhs
Borrowings						
[Term loan & packing credit] USD	73.07	4,750.86	56.06	3,935.29	50.81	3,366.71
Trade and other receivable (Net of Bills Discounted)						
USD	32.48	2,095.26	22.47	1,456.86	19.00	1,258.82
EURO	4.17	324.62	4.10	289.41	8.27	372.17
GBP	0.62	55.89	0.88	70.35	0.48	45.37
Capital advances given						
USD	0.34	21.91	0.56	36.51	1.39	92.24

Note: Open purchase orders & sales orders have not been considered for foreign currency exposure.

47 Expenditure on Research & Development (Charged to statement of P & L) [Other than Microwave project]

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Professional Fees	11.25	5.41
Tours & Travels	0.13	5.31
Rent, Rate and Taxes	1.20	1.20
Motor Car Expenses	-	0.73
Repairs & Maintenance	1.55	0.56
Employees Welfare	0.14	0.36
Materials stores & spares	0.72	0.31
Other Expenses	0.81	0.14
Total	**15.80**	**14.03**

48 Exceptional items

In the financial year 2016-17, a dispute had arisen between WOS and the erstwhile partner holding 49% share in SDS (51% share is held by Holding Company's WOS). The matter was sub-judice and suitable representations were being made in the court by WOS in this matter. Further, based on the legal advice, in the consolidated financial statements for the financial 2016-17, accounting effect was given for the impact due to change in acquisition date of SDS. The net impact of Rs.155.46 lakhs on account of such change in date was disclosed as exceptional item in consolidated financial statements for the year ended 31st March 2017.

49 Defined benefits and other long term benefit plans

(a) Gratuity plan

Funded scheme

The Holding Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entiltled to specific benefit. The level of benefits provided on the employee's lenth of service and salary retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the payment of Gratuity Act, 1972. The scheme is funded with insurance Holding Company in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefits payments.

1) **Liability risks**

(a) **Asset-liability mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralize valuation swings caused by interest rate movements.

(b) **Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice have a significant impact on the defined benefit liabilities.

(c) **Future salary escalation and inflation risk**

Since prive inflation and salary growth are linked economically, they combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increase provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) **Asset Risks**

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Holding Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan. The principal assumptions used in determining gratuity for the Holding Company's plan is shown below:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Mortality table	IALM(2006-08) ult	IALM(2006-08) ult	IALM(2006-08) ult
Discount rate	7.60%	7.31%	7.46%
Expected rate of return on plan assets	8.00%	8.00%	8.00%
Rate of increase in compensation levels	8.00%	8.00%	8.00%
Expected average remaining working lives (in years)	13.70	14.43	16.06
Employee attrition rate	PS 0 - 42 - 2%	PS 0 - 42 - 2%	PS 0 - 42 - 1%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Present value of obligation as at the beginning of the period	442.90	367.77	316.60
Interest expense	30.94	26.53	24.03
Current service cost	44.08	37.64	32.98
Past service cost-(Non vested benefits)	-	-	-
Past service cost-(Vested benefits)	1.78	-	
Benefits (paid)	(39.76)	(24.41)	(14.72)
Remeasurements on obligation [Actuarial (Gain) / Loss]	6.18	35.37	8.88
Closing defined benefit obligation	**486.12**	**442.90**	**367.77**

Changes in the fair value of plan assets recognised in balance sheet are as follows:

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening fair value of plan assets	360.27	260.13	190.99
Adjustment to opening fair value of plan assets	(3.32)	-	(3.35)
Interest income	27.62	22.39	16.66
Contributions	81.09	104.41	68.30
Benefits paid	(39.76)	(24.41)	(14.72)
Remeasurements	-	-	-
Return on plan assets, excluding amount recognised in interest income-Gain / (Loss)	(5.54)	(2.25)	2.24
Closing fair value of plan assets	**420.36**	**360.27**	**260.12**
Actual return on plan assets			

Net Interest (Income / Expense)

(Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest (Income) / Expense - Obligation	30.94	26.53
Interest (Income) / Expense - Plan assets	(27.62)	(22.39)
Net Interest (Income) / Expense for the period	**3.32**	**4.14**

Remeasurement for the period [Actuarial(Gain) / Loss]

(Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Experience (Gain) / Loss on plan liabilities	-	-
Demographic (Gain) / Loss on plan liabilities	-	(3.52)
Financial (Gain) / Loss on plan liabilities	(12.91)	6.23
Experience (Gain) / Loss on plan assets	19.09	32.66
Financial (Gain) / Loss on plan assets		

Amount recognised in statement of other comprehensive income (OCI)

(Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Remeasurement for the period - obligation (Gain) / Loss	6.18	35.37
Remeasurement for the period - plan assets (Gain) / Loss	5.54	0.95
Total Remeasurement cost / (credit) for the period recognised in OCI	**11.72**	**36.32**

The amounts to be recognised in the Balance Sheet

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Present value of obligation as at the end of the period	486.13	442.90	367.77
Fair value of plan assets as at the end of the period	420.36	360.27	260.13
Net asset / (liability) to be recognised in balance sheet	**(65.77)**	**(82.63)**	**(107.64)**

Expense recognised in the Statement of Profit and Loss (Rupees in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Current service cost	44.08	37.64
Past service cost - (vested benefits)	1.78	-
Past service cost - (non vested benefits)	-	-
Sub Total	**45.86**	**37.64**
Net Interest (Income) / Expense	3.32	4.14
Net periodic benefit cost recognised in the statement of profit and loss	**49.18**	**41.78**

Reconciliation of net assets / (liability) recognised: (Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Net asset/(liability) recognised at the beginning of the period	(82.63)	(107.64)	(125.61)
Adjustment to opening balance	(3.32)	-	(3.34)
Company Contributions	81.08	103.11	68.30
Expense recognised at the end of period	(49.18)	(41.78)	(46.99)
Amount recognised outside profit & loss for the period	(11.72)	(36.32)	-
Net asset / (liability) recognised at the beginning of the period	**(65.77)**	**(82.63)**	**(107.64)**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Funds managed by insurer	100%	100%	100%

Sensitivity analysis (Rupees in lakhs)

A) Impact of change in discount rate when base assumption is decreased / increased present value of obligation

Discount rate	As at 31st March 2018	As at 31st March 2017
Decrease by 1%	534.21	489.41
Increase by 1%	444.43	402.75

B) Impact of change in salary increase rate when base assumption is decreased / increased present value of obligation

(Rupees in lakhs)

Salary increment rate	As at 31st March 2018	As at 31st March 2017
Decrease by 1%	444.72	403.51
Increase by 1%	532.98	484.80

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

(Rupees in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Within one year	39.39	22.54
After one year but not more than five years	100.17	93.54
After Five years but not more than ten years	179.17	155.67

(b) Leave benefits

Liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy/rules of the Holding Company. Provision for short term leave benefit - casual leave is calculated on arithmetic basis. The total liability for leave benefits as at year end is Rs.141.65 lakhs (31st March 2017: Rs.142.37 lakhs, 1st April 2016: Rs. 115.58 lakhs).

50 Defined contribution plan

Provident fund & ESIC

In accordance with the law, all employees of the Holding Company are entitled to receive benefits under the provident fund and ESIC.

Under the defined contribution plan, provident fund and ESIC is contributed to the government administered fund. The Holding Company has no obligation, other than the contribution payable to the provident fund & ESIC.

51 Cash flow statement related :

51.1 Aggregate outflow on account of direct taxes paid is Rs. 281.82 lakhs (31st March 2017: Rs.149.39 lakhs).

51.2 Conversion of Rupee term loan in foreign currency loan (USD) aggregating to Rs. 1,565.75 lakhs (31st March 2017 :Rs. 631 lakhs) is not considered as cash transaction.

51.3 Due to reclassification of Dies from Inventories to Fixed Assets in the Previous Financial Year, finance facilities from banks changed accordingly. In the current financial year, amount of Rs.700 lakhs has been shifted from short term to long term borrowings without any physical movement of Cash Flow.

51.4 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Rupees in lakhs)

Particulars	As at 31st March 2017	Cash Flows	Non Cash Changes	As at 31st March 2018
Short Term Borrowings	5,972.73	(1,169.65)	20.09	4,823.17
Long Term Borrowings	3,355.86	1,074.40	19.51	4,449.77
Total Liabilities from financing activities	**9,328.59**	**(95.25)**	**39.60**	**9,272.94**

(Rupees in lakhs)

Particulars	As at 31st March 2016	Cash Flows	Non Cash Changes	As at 31st March 2017
Short Term Borrowings	5,753.86	229.82	(10.96)	5,972.73
Long Term Borrowings	2,928.60	481.56	(54.30)	3,355.86
Total Liabilities from financing activities	**8,682.46**	**711.39**	**(65.26)**	**9,328.59**

52 During the financial year 2016 - 17, the Holding Company had received a government grant of Rs. 214 lakhs from Steel Development Fund (SDF) of Ministry of Steel as first installment towards its contribution for a specified project which will help decreasing greenhouse gases emission. The total estimated cost of the project is Rs. 560 lakhs out of which contribution from SDF is Rs. 275 lakhs and balance Rs. 285 lakhs shall be contributed by the Holding Company. As the project is ongoing, all direct cost and allocable costs (including depreciation) has been considered as intangible assets under development. Intangible assets and equipments which are used for the project have been capitalised as tangible fixed assets. Further, government grant received of Rs. 214 lakhs is treated as deferred income. (refer note 3.7)

53 Additional information pursuant to Schedule III of Companies Act, 2013

As at 31st March 2018

(Rupees in lakhs)

Name of the entity	Net Assets i.e. Total Assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rupees in lakhs)	As % of consolidated profit or loss	Amount (Rupees in lakhs)	As % of consolidated other comprehensive income	Amount (Rupees in lakhs)	As % of consolidated total comprehensive income	Amount (Rupees in lakhs)
Parent								
Pradeep Metals Limited	133%	5,231.61	181%	819.36	-13%	(7.97)	158%	811.39
Subsidiaries								
Foreign								
Pradeep Metals Limited Inc, USA	19%	746.40	8%	37.80	0%	-	7%	37.80
Dimensional Machine Works LLC*	37%	1,466.27	-77%	(347.20)	0%	-	-67%	(347.20)
Minority interest in all subsidiaries	0%	-	0%	-	0%	-	0%	-
Consolidation adjustments	-90%	(3,519.85)	-13%	(57.04)	113%	69.71	2%	12.66
Total	**100%**	**3,924.44**	**100%**	**452.92**	**100%**	**61.74**	**100%**	**514.66**

* Step down subsidiary of the Holding Company.

As at 31st March 2017

(Rupees in lakhs)

Name of the entity	Net Assets i.e. Total Assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rupees in lakhs)	As % of consolidated profit or loss	Amount (Rupees in lakhs)	As % of consolidated other comprehensive income	Amount (Rupees in lakhs)	As % of consolidated total comprehensive income	Amount (Rupees in lakhs)
Parent								
Pradeep Metals Limited	116%	4,419.50	447%	515.06	68%	(24.31)	616%	490.76
Subsidiaries								
Foreign								
Pradeep Metals Limited Inc, USA	19%	704.36	-29%	(33.48)	0%	-	-42%	(33.48)
Dimensional Machine Works LLC*	39%	1,467.10	-655%	(754.49)	0%	-	-947%	(754.49)
Minority interest in all subsidiaries	-2%	(91.12)	341%	393.01	0%	-	493%	393.01
Consolidation adjustments	-71%	(2,703.47)	-4%	(4.92)	32%	(11.21)	-20%	(16.14)
Total	**100%**	**3,796.37**	**100%**	**115.18**	**100%**	**(35.52)**	**100%**	**79.66**

* Step down subsidiary of the Holding Company.

54 First time adoption

These consolidated financial statements for the year ended 31st March 2018 are the first the Group has prepared in accordance with IND AS. For periods up to and including the year ended 31st March 2017, the Group prepared its consolidated financial statements in accordance with Indian accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP').

Accordingly, the Group has prepared financial statements which comply with IND AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at 1st April 2016, the Group's date of transition to IND AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP conslidated financial statements, including the balance sheet as at 1st April 2016 and the consolidated financial statements as at and for the year ended 31st March 2017.

54.1 Exceptions applied

The Group has applied all the mandatory exceptions in accordance with IND AS 101. Following are the exceptions with significant impact:

1) **Estimates**

   The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Group to present these amounts in accordance with IND AS reflect conditions at 1st April 2016, the date of transition to IND AS and as of 31st March 2017.

2) **Classification and measurement of financial assets**

   The Group has classified financial assets on the basis of the facts and circumstances that exist at the date of transition to IND AS.

3) **Deemed cost for property, plant and equipment and intangible assets**

   The Group has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in the consolidated financial statements as at the date of transition to IND AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition.

4) **Embedded lease**

   Appendix C to IND AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with IND AS 17, this assessment is carried out at the inception of the contract or arrangement. However, the Group has used IND AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

5) **Business combination**

   In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

54.2 Notes to the reconciliation of equity as at 1st April 2016 & 31st March 2017 and statement of profit and loss for the year ended 31st March 2017

1) **Defined benefit liabilities**

   Both under Indian GAAP and IND AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the consolidated statement of profit and loss. Under IND AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to other equity through OCI.

Thus the employee benefit cost is reduced by Rs.36.32 lakhs and remeasurement gains/losses on defined benefit plans has been recognized in the OCI net of related deferred tax for FY 2016-17.

2) Revenue

Under Indian GAAP, revenue from sale of products was presented excluding excise duty. Under IND AS, revenue from sale of products is presented inclusive of excise duty. Excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2018 by Rs. 91.26 lakhs. There is no impact on total equity and profits.

3) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has not resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in other equity or a separate component of equity.

5) Standby equipment/ Capital Spares

The Group accounted for certain spares which are capable of being used during more than one accounting period or which can be only specifically used in combination with another fixed assets as part of inventories under Indian GAAP. Under IND AS, any asset which satisfies the criteria of IND AS 16 needs to be accounted as a part of property, plant and equipment. Accordingly, the Group has done an assessment of the relevant spares and reclassified the same from inventory to property, plant and equipment wherever such spares satisfied the criteria of IND AS 16. Depreciation on such reclassified items have been computed retrospectively to the extent of available information and the net amount is considered for reclassification purposes while the balance impact is adjusted in other equity.

6) Prior period items

Prior period expenses/(income) as reportes as per previous GAAP has been restated respective period/year in accordance with Ind AS requirements.

7) Amortisation of goodwill

As per the Ind AS requirement, goodwill is to be tested for impairment and hence goodwill amortised in previous years have been reversed.

8) Impact on cash flow

The translation from previous GAAP to IND AS has no material impact on the statement of cash flow.

55 Reconciliation of equity and statement of profit and loss

55.1 Reconciliation of equity as at 1st April 2016 (date of transition to IND AS). Also refer note 54.2

(Rupees in lakhs)

Particulars	As at 31st March,2017			As at 1st April,2016		
	Previous GAAP	Effect of Transition to IND AS	As per IND AS Balance Sheet	Previous GAAP	Effect of Transition to IND AS	As per IND AS Balance Sheet
Non-Current Assets						
Property, Plant & Equipment	4,671.31	(16.01)	4,655.30	4,201.27	36.32	4,237.59
Capital Work-in-progress	587.42	-	587.42	253.04	-	253.04
Goodwill	1,176.42	101.50	1,277.92	-		-
Intangible assets	61.67	-	61.67	68.30	-	68.30
Intangible assets under development	97.20	9.95	107.15	-	-	-
Goodwill on consolidation	247.13		247.13	1,628.87		1,628.87
Investment in subsidiary	-	-	-	-	-	-
Financial Assets	-	-	-	-	-	-
(i) Investments - Others	0.05	-	0.05	0.05	-	0.05
(ii) Loans	-	-	-	-	-	-
(iii) Other non current financial assets	109.93	41.50	151.43	49.74	42.10	91.84
Income tax assets	168.15	2.89	171.04	190.28	-	190.28
Other non-current assets	378.34	-	378.34	466.55	-	466.55
Total Non-current assets	**7,497.62**	**139.83**	**7,637.45**	**6,858.10**	**78.42**	**6,936.52**
Current assets						
Inventories	3,473.46	(62.64)	3,410.82	3,789.39	(62.64)	3,726.75
Financial Assets						-
(i) Trade receivables	4,385.04	(16.01)	4,369.03	3,520.81	(12.09)	3,508.72
(ii) Cash and cash equivalents	375.50	-	375.50	343.38	-	343.38
(iii) Bank balances	37.61	-	37.61	43.10	-	43.10
(iv) Other current financial assets	503.51	-	503.51	627.61	-	627.61
Other current assets	436.28	0.54	436.82	342.75	81.67	424.42
Total current assets	**9,211.40**	**(78.11)**	**9,133.29**	**8,667.04**	**6.94**	**8,673.98**
Total Assets	**16,709.02**	**61.72**	**16,770.74**	**15,525.14**	**85.36**	**15,610.50**
Equity						
Equity Share capital	1,726.26	-	1,726.26	1,726.26	-	1,726.26
Other Equity	2,004.68	66.83	2,071.51	1,967.03	39.23	2,006.26
Total Equity	**3,730.94**	**66.83**	**3,797.77**	**3,693.29**	**39.23**	**3,732.52**
Minority interest	**91.12**		**91.12**	417.75		**417.75**
Liabilities						
Non-current liabilities						
Financial Liabilities						
Borrowings	2,469.36	-	2,469.36	2,495.61	-	2,495.61
Provisions	81.70	-	81.70	176.42	-	176.42
Deferred tax liabilities						
(Net of deferred tax asset & MAT credit)	442.19	(9.15)	433.04	344.07	5.22	349.29
Total non-current liabilities	**2,993.25**	**(9.15)**	**2,984.10**	**3,016.10**	**5.22**	**3,021.32**
Government Grant	**214.00**	**-**	**214.00**	-	-	-
Current liabilities						
Financial Liabilities						
(i) Borrowings	5,972.73	-	5,972.73	5,753.86	-	5,753.86
(ii) Trade payables						
- Due to micro and small enterprises	-	-	-			
- Due other than micro and small enterprises	1,744.49	0.55	1,745.04	1,195.70	32.98	1,228.68
(iii) Other current financial liabilities	1,737.98	3.49	1,741.47	1,327.28	7.93	1,335.21
Other current liabilities	46.00	-	46.00	24.26	-	24.26
Provisions	178.51	-	178.51	96.90	-	96.90
Current Tax Liabilities (Net)	-	-	-	-	-	-
Total current liabilities	**9,679.71**	**4.04**	**9,683.75**	**8,398.00**	**40.91**	**8,438.91**
Total liabilities	**12,978.08**	**(5.11)**	**12,972.97**	**11,831.85**	**46.13**	**11,877.98**
Total equity & liabilities	**16,709.02**	**61.72**	**16,770.74**	**15,525.14**	**85.36**	**15,610.50**

55.2 Reconciliation of Other Equity (Reserves)

(Rupees in lakhs)

Particulars	Consolidated	
	As at 31st March 2017	**As at 1st April 2016**
Other Equity (Reserves) as per Previous GAAP	**2,004.68**	**1,967.03**
Adjustments:		
Impact of depreciation on capitalisation of standby equipments	(26.59)	(22.71)
Reversal of excess depreciation charged in F.Y.2015-16	-	38.50
Prior period items as per Previous GAAP reclassified in respective year/opening reserves	(20.18)	40.75
Reversal of Wind mill income excess booked	-	(12.09)
Reversal of amortisation of goodwill	101.50	-
Taxes on above	12.10	(5.22)
Other Equity (Reserves) as per Ind AS	**2,071.51**	**2,006.26**

55.3 Reconciliation of statement of profit and loss for the year ended 31st March 2017 (Also refer note 54.2)

(Rupees in lakhs)

Particulars	Previous GAAP	Effect of transition to IND AS	As per IND AS Balance Sheet
Revenue From Operations	13,178.01	412.62	13,590.63
Other Income	157.88	-	157.88
Total Income (A)	**13,335.89**	**412.62**	**13,748.51**
EXPENSES			
Cost of materials consumed	5,680.60	-	5,680.60
Changes in inventories of finished goods,WIP	(278.22)	-	(278.22)
Excise Duty on sale of goods	-	418.87	418.87
Manufacturing expenses	3,243.82	4.99	3,248.81
Employee benefits expense	2,378.91	(44.42)	2,334.49
Finance costs	630.82	8.10	638.92
Depreciation and amortisation expense	507.07	(59.12)	447.95
Other expenses	1,116.85	(1.82)	1,115.03
Total expenses (B)	**13,279.85**	**326.60**	**13,606.45**
Profit/(loss) before exceptional items and tax (C)	**56.03**	**86.02**	**142.06**
Prior Period Items	40.75	(40.75)	-
Profit before exceptional items & taxes	**96.78**	**45.27**	**142.06**
Exceptional Items	(155.46)	-	(155.46)
Profit/(loss) before tax (D)	**(58.68)**	**45.27**	**(13.40)**
Tax expenses:			
(1) Current tax	240.25	(2.91)	237.34
(2) Deferred tax	23.91	(2.30)	21.61
(3) Short/(Excess) provision for Taxation for PY	5.47	-	5.47
Total tax expense	269.63	(5.21)	264.42
Profit / (Loss) after tax	**(328.31)**	**50.48**	**(277.82)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	-	(36.32)	(36.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	12.01	12.01
Other Comprehensive Income	**-**	**(24.31)**	**(24.31)**
B (i) Items that will be reclassified to profit or loss	-	(11.21)	(11.21)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**(328.31)**	**14.96**	**(313.34)**
Profit for the year attributable to:			115.18
Equityholders of parent			(393.01)
Non-controlling interests			
Other comprehensive income for the year attributable to:			
Equityholders of parent			(35.52)
Non-controlling interests			-
Total comprehensive income for the year attributable to:			
Equityholders of parent			79.66
Non-controlling interests			(393.01)

55.4 Reconciliation of total comprehensive income for the year ended 31st March 2017

Particulars	Year ended 31st March, 2017
Net Profit / (Loss) as per previous GAAP (Indian GAAP)	**64.70**
Adjustments:	
Depreciation on stand by equipment	(4.48)
Prior period items (net) as per Previous GAAP reclassified in respective year / opening reserves	(87.41)
Reversal of amortisation of goodwill	101.50
Actuarial (gain)/ loss on employee defined liability reclassified to OCI	36.32
Taxes on above	4.55
Net Profit / (Loss) before OCI as per Ind AS (A)	**115.18**
Remeasurement gain/(loss) of net defined benefit liability	(36.32)
Income tax relating to items that will not be reclassified to profit or loss	12.01
Exchange differences on translation of foreign operations	(11.21)
Other comprehensive income (net of tax) (B)	**(35.52)**
Total Comprehensive Income	**79.66**

56 Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.116560W/W100149

Milan Mody
Partner
Membership No. 103286

For and on behalf of the Board of Directors of
Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Neeru P. Goyal
Director
DIN: 05017190

Harshad Babade
Company Secretary
Membership No. A51159

Rakesh Agarwal
Chief Financial Officer

Place: Mumbai
Date: 9th May 2018

Updation of Information of Shareholders' of Pradeep Metals Limited

To,
Link Intime (India) Private Limited,
247, Lal Bahadur Shastri Marg, Surya Nagar,
Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083

Sub: **Updation of Shareholders' Information - Pradeep Metals Limited**

I/We request you to record the following information against my/our Folio No./DP ID/Client ID:

A. General Information:

Folio No./DP ID/Client ID	
Name of the first names Shareholder	
PAN*	
CIN/Registration No.* (Applicable to Corporate Shareholders)	
Tel. No. with STD Code	
Mobile No.	
E-mail ID	

*Self attested photo copy of the document(s) enclosed.

B. Bank Details:

IFSC (11 Digit)	
MICR(9 Digit)	
Bank A/c Type	
Bank A/c No.*	
Name of the Bank	
Bank Branch Address	

*A blank cancelled cheque is enclosed to enable the verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect details/information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio Number.

Place:

Date: Signature of the Sole/First Holder

Note: Shareholders holding shares in physical mode and having Folio No(s) should provide the above information to our RTA, Link Intime India Private Limited. Shareholders holding Demat shares are required to update their details with the Depository Participant.

PRADEEP METALS LIMITED

Regd. Office: R-205, TTC Industrial Area, MIDC,
Rabale, Navi Mumbai 400701(Maharashtra)
CIN:L99999MH1982PLC026191

35th ANNUAL GENERAL MEETING

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 OF THE SHAREHOLDER :

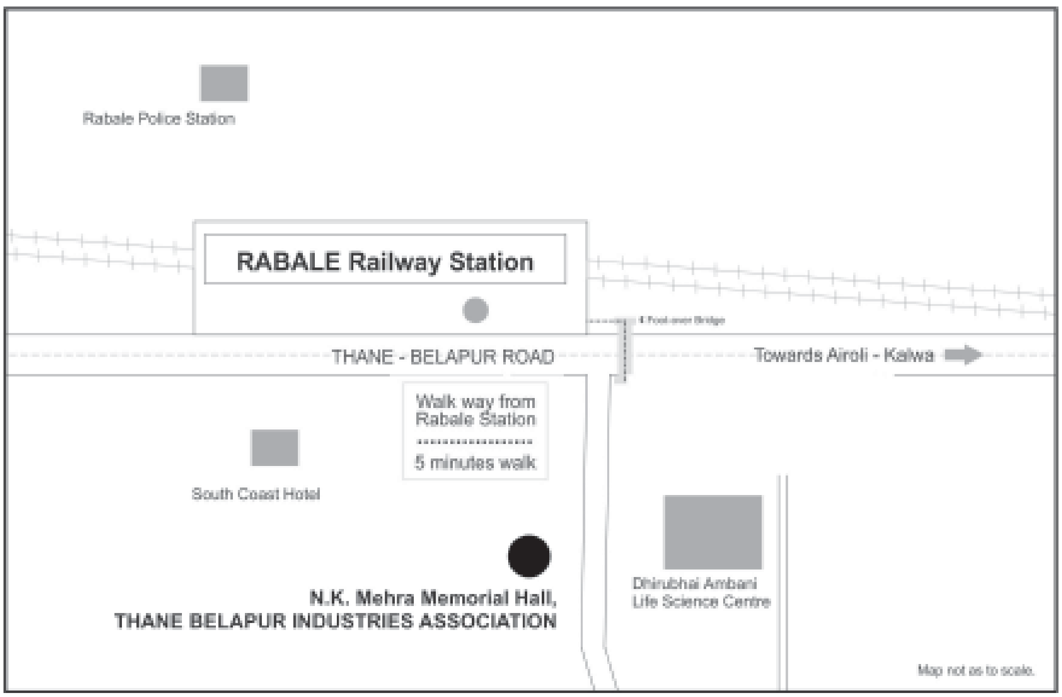
ADDRESS OF THE SHAREHOLDER :

I hereby record my presence at the 35th Annual General Meeting of the Company at N.K. Mehra Memorial Hall, Thane Belapur Industries Association, P-14, MIDC, opposite Rabale Railway Station, Rabale, Navi Mumbai 400701 on Tuesday, the 14th day of August, 2018 at 3.00 p.m.

Signature of the Shareholder/Proxy
(To be signed at the time of handling over this Slip)

*Applicable for Investors Holding Shares in electronic form.

ROUTE MAP
FOR VENUE OF A.G.M.



PRADEEP METALS LIMITED

CIN: L99999MH1982PLC026191
Regd. Office : R-205, TTC Industrial Area, MIDC, Rabale, Navi Mumbai 400 701.
Tel: +91-22-27691026 Fax: +91-22-27691123 e-mail: investors@pradeepmetals.com Website: www.pradeepmetals.com

Proxy form

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No. / Client Id:	DP ID No.

I/ We, being the Member(s) holding …………shares of Pradeep Metals Limited, hereby appoint

1. Name :	Address:
Signature:	Email ID:

or failing her / him

2. Name :	Address:
Signature:	Email ID:

or failing her / him

3. Name :	Address:
Signature:	Email ID:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Tuesday 14th day of August, 2018 At 3.00 pm at N.K. Mehra Memorial Hall, Thane Belapur Industries Association, P-14, MIDC, opposite Rabale Railway Station, Rabale, Navi Mumbai 400701 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No.	Resolutions
1.	To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the FY ended 31st March, 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2	To re-appoint Dr. Kewal Krishan Nohria (DIN: 00060015) as the Non-Executive Director of the Company, who retires by rotation and who has attained the age of Seventy-five years, being eligible, offers himself for re-appointment
3	To appoint Mr. Kartick Maheshwari (DIN: 07969734) as an Independent Director
4	To continue the appointment of Mr. Omprakash Agarwal (DIN: 00022796) as the Non-Executive Director of the Company
5	To continue the appointment of Mr. Suresh G. Vaidya (DIN: 00220956) as the Independent Director of the Company
6	To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2019

Affix Revenue Stamp

Signature of Member Signature of Proxy holder(s)

Signed this day of 20

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

(TEAR HERE)