

# TWENTY FOURTH ANNUAL REPORT 2013-2014 PRESHA METALLURGICAL LIMITED

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## BOARD OF DIRECTOR

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NILESHKUMAR KHATRI - DIRECTOR  
KETANBHAI SORATHIYA - DIRECTOR  
RAMANLAL TRIVEDI - DIRECTOR

## AUDITOR

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M/S. Y. D. & CO.  
Chartered Accountants  
LUDHIANA

## SHARE TRANSFER AGENT

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M/s SATELLITE CORPORATE SERVICES PRIVATE LIMITED  
B-302, Sony Apartment, Opp. St. Judge's High School,  
Off Andheri-Kurla Road,  
Jarimari, Sakinaka,  
Mumbai-400072 Maharashtra, INDIA

## REGISTERED OFFICE

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A/302, MARUTI COMPLEX, NR NATUBHAI CIRCLE,  
GOTRI ROAD, VADODARA-390006,  
GUJARAT, INDIA

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**N O T I C E**

**NOTICE** is hereby given that the **Twenty Fourth Annual General Meeting** of the Members of **PRESHA METALLURGICAL LIMITED (Formally known as JALAN METALLURGICAL LIMITED)** will be held at the Registered Office of the Company at **A/302, Maruti Complex, Nr. Natubhai Circle, Gotri Road, Vadodara-390006, Gujarat, India** on **Saturday, 27th day of September, 2014 at 01.00 P. M.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2014** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of MR. NILESHKUMAR KHATRI who retires by rotation and being eligible, offers him-self for re-appointment.

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** subject to the provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Y. D & Co., Chartered Accountants (Firm Registration No. 018846N) be and are hereby appointed as Statutory Auditors to hold office for a term of five years subject to ratification by members at every Annual General Meeting, at such remuneration as may be determined by Board of Directors of the Company from time to time."

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150,152 and any other applicable provisions of the Companies Act, 2013 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 Companies Act, 2013, Mr. Ramanlal Trivedi (DIN-01658705) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term 26th September, 2019."

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 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 Companies Act, 2013, Mr. Ketan Sorathiya (DIN – 01403554), who was appointed on 25th January, 2014 as an additional director of the Company and holds office upto the date of this Annual General Meeting under section 161(1) of the Companies Act, 2013, and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to September 26, 2019."

**By Order of the Board  
For, PRESHA METALLURGICAL LIMITED**

**PLACE: VADODARA**

**DATE: 27.08.2014**

**(NILESH KHATRI)  
CHAIRMAN**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.

2. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution/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 carrying voting rights, then such proxy for any other person or shareholder.
3. Members/ proxies are requested to bring their copies of Annual Report along with duly filed and signed attendance sheets attached with it for attending the meeting.
4. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 20th September, 2014 to 27th September, 2014.
6. M/s Satellite Corporate Services Private Limited, having registered office at B-203, Sony Apt., Opp. St. Jude's High School, 90ft Road, Jarimari, Sakinaka, Mumbai, Maharashtra – 400 072 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
7. Shareholders are requested to notify change of address, if any, and details of their bank account to the Registrar/Depository Participants
8. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Shareholders are therefore requested to bring their copies of the annual report at the meeting.
9. The notice of the Annual General Meeting along with the Annual Report 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green initiative', the members who have not registered their e-mail addresses are requested to register the same with Registrar/Depositories.
11. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business of the Notice is annexed hereto.

In compliance with the provisions of section 108 of the Companies Act, 2013 Rule 20 of the Companies (Management and Administration) Rules, 2014, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

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#### Instructions for e-voting:

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Pursuant to provisions of section 108 of the Companies Act, 2013, read with Companies (Management & Administration) Rules, 2014 the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set out forth in the Notice convening the Annual General Meeting to be held on Saturday, September 27, 2014 at 1:00 P.M. The Company has engaged the services of CENTRAL DEPOSITORY SERVICES LIMITED (CDSL) to provide e-voting facility. E-voting facility is available at the link: [www.evoting.cdsl.com](http://www.evoting.cdsl.com).

#### The instructions for members for voting electronically are as under:-

##### In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| PAN*  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul> |
| DOB#  | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |
| Dividend Bank Details#  | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> i.e. 19th August, 2014 in the <b>Dividend Bank details field</b>.</li> </ul>  |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <PRESHA METALLURGICAL LIMITED> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on 22.09.2014 AT 11.00 A.M. and ends on 24.09.2014 AT 4.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Company has appointed Ms. SHUBHAM AGARAWAL, Practicing Company Secretary as the Scrutinizer for purpose of E voting to count the votes casted in favour or against the resolution proposed for all the items of the Notice as mentioned in the Notice and to comply with the provisions of Section 108 of the Companies Act, 2013.

The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the EGM of the Company and communicated to the BSE Limited.

**ANNEXURE TO NOTICE**  
**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

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**ITEM NO. 3**

In terms of section 139 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, listed company can appoint Audit Firm for a term not exceeding five years subject to ratification by members at every AGM.

The Board of Directors at its meeting held on 27.08.2014, recommended the appointment of M/s. Y. D. Co., Chartered Accountant as statutory auditors if the company for a term of five years subject to ratification by members at every AGM from the conclusion of this AGM until from the conclusion of this AGM upto next 5 years

The Board recommends the resolution for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution set out at item No. 3.

**ITEM NO. 4**

Mr. Ramanlal Trivedi is Independent Director under Clause 49 of the Listing Agreement. Upon implementation of the Companies Act, 2013, ('the Act') in the opinion of the Board, each of these persons fulfill the conditions specified in the Act and the rules made thereunder and that they are each independent of management.

In view of the above position, approval of the Members is sought to formally appoint him Independent Director for a period of five years from the conclusion Company's Annual General Meeting to next fifth year AGM.

The Board is of opinion that it would be interest of the Company to appoint Mr. Ramanlal Trivedi as Independent Director of the Company and Resolutions under the items No. 4 have been proposed to this end.

The Board commends the resolutions to Members for acceptance. Mr. Ramanlal Trivedi was holding office as retiring Directors and, after their appointment as Independent Directors, they shall not be liable any further to retirement by rotation and shall hold office for aforesaid fixed term of five years and could be eligible for appointment for one more consecutive term of five years.

No other Director/Key Managerial personnel or any relative of the Directors or the Key Managerial personnel have any concern or interest in the aforesaid Resolutions.

**ITEM NO. 5**

Mr. Ketan Sorathiya (DIN – 01403554) has been appointed as an Additional (Non – Executive) Director of the Company with effect from 25th January, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013. Mr. Ketan Sorathiya (DIN – 01403554) holds office upto the date of ensuing Annual General Meeting of the Company.

It is proposed to appoint Mr. Ketan Sorathiya (DIN – 01403554) as Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of this Annual General Meeting of the Company.

Further, Mr. Ketan Sorathiya (DIN – 01403554) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

None of the Directors and KMPL of the Company other than Mr. Ketan Sorathiya (DIN – 01403554) is interested or concerned in the resolution.

The Board accordingly recommends the resolution as set out in Item No. 5 of the Notice for the approval of the members.

**By Order of the Board  
For, PRESHA METALLURGICAL LIMITED**

**PLACE: VADODARA**

**DATE: 27.08.2014**

**(NILESH KHATRI)  
CHAIRMAN**

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**DIRECTORS' REPORT**

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***Dear Shareholders,***

Your Directors here by present the Twenty Fourth Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on **31st March 2014**.

**REVIEW OF OPERATIONS:**

During the year under review due to sluggish market condition and financial crisis company faces huge set back. So company not in position to generate any revenue from the operation but due to some fixed cost company posted Net Loss of Rs. 210343.

The management has taken measures as part of its continuous improvements to strengthen operations and viability.

**DIVIDEND:**

Your Directors have not declared any dividend during the year under review due to loss incurred.

**FIXED DEPOSIT:**

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

**CHANGE OF BOARD OF DIRECTORS:**

Mr. NILESHKUMAR KHATRI Director of the Company is retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Mr. RAMANLAL TRIVEDI an Independent Director of the Company, who was appointed as a Director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term 26th September, 2019.

Mr. KETANBHAI SORATHIYA who was appointed on 25.01.2014 as an Additional Director of the Company and holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term 26th September, 2019.

Mr. KAMLESH THOTHAWALA was resigned as a Director of the Company with effect from 25.01.2014.

**AUDITORS AND AUDITORS' REPORT:**

M/s. Y. D. & Co., Chartered Accountants, Ludhiana, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and eligible for reappointment.

The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

**PARTICULARS OF EMPLOYEES:**

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

**CORPORATE GOVERNANCE REPORT:**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement on Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed separately to this Annual Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1)(e) of the Companies Act 1956, are not applicable to our Company, as our Company has not carried out any manufacturing activities.

The foreign exchange earning on account of the operation of the Company during the year was Rs. Nil.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) Directors have prepared the accounts on a "going concern basis".

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

**For and on Behalf of the Board  
For, PRESHA METALLURGICAL LIMITED**

**PLACE: VADODARA**

**DATE: 27.08.2014**

**(NILESH KHATRI)  
CHAIRMAN**



**Annexure to Director's Report****MANAGEMENT DISCUSSION ANALYSIS REPORT****Outlook:**

The company is confident in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover.

**Internal Controls Systems and their adequacy:**

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

**Human Resources**

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**REPORT ON CORPORATE GOVERNANCE****1. THE CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance at the Company is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

**2. BOARD OF DIRECTORS**

The Board of Directors is having non-executive and independent directors as on 31st March, 2014. The Board of Directors is consisting of Three Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

**Numbers of Board Meetings held and the dates on which such meetings were held:**

During the financial year 2013-14 the Board met 6 times on 24.05.2013, 06.08.2013, 31.08.2013, 11.11.2013, 25.01.2014 and 13.02.2014. The maximum gap between two meetings was not more than 4 months.

**Attendance record of Directors attending the Board meetings and Annual General Meetings**

| Name of the Director  | No. of Board Meetings |          | Last AGM attended |
|---|-----------------------|----------|-------------------|
|   | Held                  | Attended |                   |
| RAMANLAL TRIVEDI  | 6                     | 6        | Yes               |
| *KAMLESH THOTHAWALA   | 6                     | 4        | Yes               |
| NILESHKUMAR KHATRI  | 6                     | 6        | Yes               |
| #KETANBHAI SORATHIYA  | 6                     | 2        | No                |
| * Resigned as on 25.01.2014 # Appointed as on 25.01.2014<br>None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director. |                       |          |                   |

**3. AUDIT COMMITTEE**

The Audit Committee of the Company presently comprises of three Directors being MR. NILESHKUMAR KHATRI, MR. RAMANLAL TRIVEDI and MR. KETANBHAI SORATHIYA. MR. KETANBHAI SORATHIYA is Chairman of the Committee.

The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

**Role/ Functions of the Committee:**

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external auditors and the adequacy of the internal control system.

**Powers of the Committee:**

- To investigate any activity within its terms of reference.
- To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- Compliance with accounting standards.
- To obtain outside legal or other professional advice if necessary.
- To secure attendance of outsiders with relevant expertise if it considers necessary.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

**Attendance at the Audit Committee Meetings**

During the year the Audit Committee met 4 times on 24.05.2013, 06.08.2013, 11.11.2013, 13.02.2014. Attendance of the members is as under:

| Name   | No. of Meeting attended |          |
|--|-------------------------|----------|
|  | Held                    | Attended |
| RAMANLAL TRIVEDI   | 4                       | 4        |
| *KAMLESH THOTHAWALA                                      | 4                       | 3        |
| NILESHKUMAR KHATRI                                       | 4                       | 4        |
| #KETANBHAI SORATHIYA                                     | 4                       | 1        |
| * Resigned as on 25.01.2014 # Appointed as on 25.01.2014 |                         |          |

**4. REMUNERATION COMMITTEE**

As neither remuneration nor sitting fee paid to the director as no remuneration Committee has been set up.

**5. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE**

This committee consists of three directors namely, MR. NILESHKUMAR KHATRI, MR. RAMANLAL TRIVEDI and MR. KETANBHAI SORATHIYA.

MR. NILESHKUMAR KHATRI is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. MR. NILESHKUMAR KHATRI Director of the Company has been authorized by the Board to approve such transfers within the time stipulated under the Listing Agreement. Further the complaints of the above nature are promptly attended by the Compliance Officer. MR. NILESHKUMAR KHATRI has been appointed as the Compliance Officer of the Company by the Board of Directors.

There is no pending, unsolved complaint of Shareholders of the Company and no pending Share Transfer.

**6. GENERAL BODY MEETINGS**

**Location and time for last 3 years Annual General Meetings:**

| Financial Year   | Location   | Date     | Time A.M./ P.M. | Particulars of the Special Resolution           |
|--|--|----------|-----------------|---|
| 2012-13  | A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006 | 30.09.13 | 10.00 A.M.      | No Special Resolution was passed in the meeting |
| 2011-12  | A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006 | 31.08.12 | 02.00 P.M.      | No Special Resolution was passed in the meeting |
| 2010-11  | A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006 | 15.06.11 | 01.30 P.M.      | No Special Resolution was passed in the meeting |
| No special resolution was required to be carried out through postal ballot during the last year. No resolution is proposed by postal ballot at the ensuing Annual general meeting. |  |          |                 |   |

**Location and time where Extraordinary General Meetings were held for last three years:**

| Financial Year | Location   | Date       | Time A.M./ P.M. | Particulars of the Special Resolution   |
|----------------|--|------------|-----------------|---|
| 2012-13        | --   | --         | --              | --  |
| 2011-12        | A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006 | 21.04.2011 | 01.00 P.M.      | - Change of name of company<br>- Increased Authorized Capital<br>- Alteration in MOA & AOA<br>- Issue of Convertible Warrants on Preferential Basis |
| 2010-11        | --   | --         | --              | --  |

The above resolution which was put to vote by show of hands was passed unanimously.

**7. DISCLOSURES**

- o There are no materially significant related party transactions i.e. transactions of the Company of material natures, with its promoters, the directors or the managements, their subsidiaries or relatives etc., that may have potential conflict with interest of the Company at large.
- o No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markers, during the last three years.
- o The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.

**8. MEANS OF COMMUNICATION**

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as website of the company immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.

**9. CEO/CFO CERTIFICATION** under clause 41 and clause 49 of the Listing Agreement with Stock Exchanges have been submitted to the Board by the CEO and CFO.

**10. GENERAL SHAREHOLDERS INFORMATION**

|   |   |                                    |                              |
|---|---|------------------------------------|------------------------------|
| Financial Year                          | 1st April to 31st March   |                                    |                              |
| Date and time of Annual General Meeting | Saturday, 27th September, 2014 at 01.00 P.M.                            |                                    |                              |
| Venue of Annual General Meeting         | A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara-390006 |                                    |                              |
| Dates of Book Closure                   | 20.09.2014 to 27.09.2014  |                                    |                              |
| Listing on Stock Exchange               | BSE Limited, Mumbai, ASE Limited, Ahmedabad                             |                                    |                              |
| Stock Code and Scrip ID                 | 513613 (BSE) and PRESHAMET (BSE)  |                                    |                              |
| Demat ISIN No.                          | INE908L01013  |                                    |                              |
| Tentative Calendar for the 2014-15      |   |                                    |                              |
| <b>Quarterly Financial Results</b>      | <b>Date of Board Meeting</b>  | <b>Quarterly Financial Results</b> | <b>Date of Board Meeting</b> |
| First Quarter Results                   | Before 15.08.2014   | Third Quarter Results              | Before 15.02.2015            |
| Second Quarter Results                  | Before 15.11.2014   | Fourth Quarter Results             | Before 15.05.2015            |

**11. CATEGORIES OF SHAREOWNERS AS ON 31.03.2014**

| Category                      | No. of Shares Held | Voting Strength (%) |
|-------------------------------|--------------------|---------------------|
| Promoters                     | Nil                | Nil                 |
| Resident Individuals          | 999990             | 07.00               |
| Financial Institutions/ Banks | Nil                | Nil                 |
| Bodies Corporate              | 12288010           | 85.99               |
| NRIs/ OCBs                    | Nil                | Nil                 |
| Directors Relatives           | Nil                | Nil                 |
| Others (HUF)                  | 1001800            | 07.01               |
| <b>Total</b>                  | <b>14289800</b>    | <b>100.00</b>       |

**12. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014**

| Share Balance    | Holders    | % of Total    | Total Shares    | % of Total    |
|------------------|------------|---------------|-----------------|---------------|
| Up to – 2500     | 134        | 45.89         | 123850          | 0.09          |
| 2501- 5000       | 22         | 7.53          | 99650           | 0.07          |
| 5001- 10000      | 9          | 3.08          | 69580           | 0.05          |
| 10001- 20000     | 16         | 5.48          | 241210          | 0.17          |
| 20001- 30000     | 4          | 1.37          | 120000          | 0.08          |
| 30001- 40000     | 1          | 0.34          | 35000           | 0.02          |
| 40001- 50000     | 11         | 3.77          | 542000          | 0.38          |
| 50001-100000     | 10         | 3.42          | 803520          | 0.56          |
| 100001 and above | 85         | 29.11         | 140863190       | 98.58         |
| <b>Total</b>     | <b>292</b> | <b>100.00</b> | <b>14289800</b> | <b>100.00</b> |

**13. STOCK MARKET DATA**

The monthly movement of Equity Share prices on BSE during the year is summarized below:

| Month  | Highest (Rs) | Lowest (Rs) |
|--------|--------------|-------------|
| Apr-13 | 84.90        | 60.85       |
| May-13 | 61.95        | 49.00       |
| Jun-13 | 51.40        | 49.15       |
| Jul-13 | 52.70        | 48.05       |
| Aug-13 | 52.65        | 50.00       |
| Sep-13 | 50.70        | 41.30       |
| Oct-13 | 52.00        | 39.25       |
| Nov-13 | 52.00        | 46.30       |
| Dec-13 | 52.25        | 42.00       |
| Jan-14 | 50.20        | 29.05       |
| Feb-14 | 38.55        | 32.10       |
| Mar-14 | 73.40        | 36.00       |

**14. REGISTRAR AND SHARE TRANSFER AGENT**

M/s SATELLITE CORPORATE SERVICES PRIVATE LIMITED having its registered office at B-302, Sony Apartment, Opp. St. Judge's High School, Off Andheri-Kurla Road, Jarimari, Sakinaka, Mumbai-400072 Maharashtra, INDIA is the Registrar & Share Transfer Agent for processing the transfer of securities issued by the Company.

**15. SHARE TRANSFER SYSTEM:**

Transfer of Shares in Physical form are registered and dispatched within 3 weeks from the date of their receipts, subject to the documents being valid and complete in all respects. Transfer of shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee called as "Investor / Shareholders Grievance Committee", which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respect.

**16. DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Equity Shares of your company are traded in compulsory dematerialization form by all investors. The company has entered into agreements with existing Depository, National Securities Depository Limited (NSDL) enabling the investors to hold shares of the company in electronic form through the depository of their choice.

**17. ADDRESS FOR CORRESPONDENCE:**

A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara-390006

**Investors Correspondence/ Complaints to be address to:**

MR. NILESHKUMAR KHATRI - Director and Compliance Officer

E-mail: preshametallurgicaltd@gmail.com

**18. DECLARATION:**

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**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY**

In the above regards, I declare as follows:

1. The company does have a code of conduct approved by its board of directors, which would be posted on its website shortly.
2. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on March 31st 2014.

**For and on Behalf of the Board  
For, PRESHA METALLURGICAL LIMITED**

**PLACE: VADODARA  
DATE: 27.08.2014**

**(NILESH KHATRI)  
CHAIRMAN**

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**Certification on Corporate Governance**

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**To the members of PRESHA METALLURGICAL LIMITED:**

We have examined the compliance of conditions of Corporate Governance by **PRESHA METALLURGICAL LIMITED** for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliances 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.

**For, Y. D. & Co**  
**CHARTERED ACCOUNTANTS**  
**FRN: 018846N**

**PLACE: LUDHIANA**  
**DATE: 27.08.2014**

**CA RAKESH PURI**  
**PARTNER**  
**M. No.: 092728**

## **AUDITORS' REPORT TO THE MEMBERS OF PRESHA METALLURGICAL LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PRESHA METALLURGICAL LIMITED** which comprise the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss and for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the [General Circular 15/2013 dated 13th September, 2013](#) of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- ii) in the case of the statement of profit and loss, of the profit for the year ended on that date;
- iii) In the case of cash flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account .
- d. in our opinion, the Balance Sheet & Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For, Y. D. & Co**  
**CHARTERED ACCOUNTANTS**  
**FRN: 018846N**

**PLACE: LUDHIANA**  
**DATE: 26.05.2014**

**CA RAKESH PURI**  
**PARTNER**  
**M. No.: 092728**



**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of PRESHA METALLURGICAL LIMITED on the accounts of the company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. Company does not have inventories during the year hence other sub clause not applicable
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
  
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. The Company does have Internal Audit System.
8. As per information and according to explanation given to us, maintenance of cost records as prescribed by the Central Government under clause (d) of sub- section (1) of section 209 of the Act, does not applicable to the Company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The accumulated losses at the end of the financial year are not more than 50% of its net worth and it has incurred cash losses of Rs 210343/- during the financial year under report and it has also incurred cash losses in the immediately preceding financial year.
  11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
  12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
  14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
  15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
  16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
  17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
  18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
  19. The Company has no outstanding debentures during the period under audit.
  20. The Company has not raised any money by public issue during the year.
  21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For, Y. D. & Co  
CHARTERED ACCOUNTANTS  
FRN: 018846N

PLACE: LUDHIANA  
DATE: 26.05.2014

CA RAKESH PURI  
PARTNER  
M. No.: 092728

| <b>BALANCE SHEET AS AT 31ST MARCH 2014</b>   |       |                                       |                  |
|--|-------|---------------------------------------|------------------|
| (Amount in Rupees)   |       |                                       |                  |
| Particulars  | Notes | March 31, 2014                        | March 31, 2013   |
| <b>I. EQUITY AND LIABILITIES</b>   |       |                                       |                  |
| <b><u>(1) Shareholder's Funds</u></b>  |       |                                       |                  |
| (a) Share Capital  | 2     | 142898000                             | 142898000        |
| (b) Reserves and Surplus   | 3     | 398620453                             | 398830796        |
| (c) Money received against share warrants<br>(1000000 Equity Warrant on Pref. basis)           |       | 00                                    | 00               |
| <b><u>(2) Share Application money pending allotment</u></b>                                    |       | 00                                    | 00               |
| <b><u>(3) Non-Current Liabilities</u></b>  |       | 00                                    | 00               |
| <b><u>(4) Current Liabilities</u></b>  |       |                                       |                  |
| (a) Trade Payables   | 4     | 0                                     | 70732            |
| (b) Short-Term Provisions  | 5     | 115936                                | 115936           |
| <b>Total Equity &amp; Liabilities</b>  |       | <b>541634389</b>                      | <b>541915464</b> |
| <b>II. ASSETS</b>  |       |                                       |                  |
| <b><u>(1) Non-Current Assets</u></b>   |       |                                       |                  |
| (a) Fixed Assets   | 6     | 38000000                              | 38000000         |
| (b) Non-current investments  | 7     | 175307300                             | 175307300        |
| (c) Long term loans and advances   | 8     | 00                                    | 93500000         |
| <b><u>(2) Current Assets</u></b>   |       |                                       |                  |
| (a) Current investments  | 9     | 189457968                             | 149522800        |
| (b) Trade receivables  | 10    | 123216000                             | 83211500         |
| (c) Cash and cash equivalents  | 11    | 2204052                               | 2318034          |
| (d) Short-term loans and advances  | 12    | 13449069                              | 55830            |
| <b>Total Assets</b>  |       | <b>541634389</b>                      | <b>541915464</b> |
| <b>Notes to Accounts</b> <span style="float: right;"><b>1 to 18</b></span>                     |       |                                       |                  |
| Schedules referred to above and notes attached there to form an integral part of Balance Sheet |       |                                       |                  |
| This is the Balance Sheet referred to in our Report of even date.                              |       |                                       |                  |
| <b>For Y. D. &amp; Co.</b>   |       | <b>FOR AND ON BEHALF OF THE BOARD</b> |                  |
| <b>CHARTERED ACCOUNTANTS</b>   |       |                                       |                  |
| <b>Firm Reg. No. 018846 N</b>  |       |                                       |                  |
| <br><b>(CA RAKESH PURI)</b>  |       | <b>KETANBHAI SORATHIYA</b>            |                  |
| <b>PARTNER</b>   |       | <b>(DIRECTOR)</b>                     |                  |
| <b>Membership No. 092728</b>   |       | <b>NILESHKUMAR KHATRI</b>             |                  |
| <b>Place: Ludhiana</b>   |       | <b>(DIRECTOR)</b>                     |                  |
| <b>Date: 26.05.2014</b>  |       | <b>Place: Vadodara</b>                |                  |
|  |       | <b>Date: 26.05.2014</b>               |                  |

| PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2014                                     |   |                                |                    |                 |
|--|---|--------------------------------|--------------------|-----------------|
| (Amount in Rupees)   |   |                                |                    |                 |
| Sr. No   | Particulars   | Notes                          | 2013-14            | 2012-13         |
| I  | Revenue from operations                                   |                                | 00                 | 00              |
| II   | Other Income  |                                | 00                 | 00              |
| III  | <b>III. Total Revenue (I +II)</b>                         |                                | <b>00</b>          | <b>00</b>       |
| IV   | <b>Expenses:</b>  |                                |                    |                 |
|  | Employee Benefit Expense                                  | 13                             | 100000             | 187000          |
|  | Financial Costs   | 14                             | 250                | 935             |
|  | Depreciation and Amortization Expense                     |                                | 00                 | 00              |
|  | Other Expenses  | 15                             | 110093             | 173626          |
|  | <b>Total Expenses (IV)</b>                                |                                | <b>210343</b>      | <b>361561</b>   |
| V  | Profit before exceptional and extraordinary items and tax | (III - IV)                     | <b>(210343)</b>    | <b>(361561)</b> |
| VI   | Exceptional Items (Excess provision Added Back)           |                                | 00                 | 00              |
| VII  | Profit before extraordinary items and tax                 |                                | <b>(210343)</b>    | <b>(361561)</b> |
| VIII   | Extraordinary Items                                       |                                | 00                 | 00              |
| IX   | Profit before tax (VII - VIII)                            |                                | <b>(210343)</b>    | <b>(361561)</b> |
| X  | <b>Tax expense:</b>                                       |                                | 00                 | 00              |
| XI   | Profit(Loss) from the period from continuing operations   | (IX-X)                         | <b>(210343)</b>    | <b>(361561)</b> |
| XII  | Profit/(Loss) from discontinuing operations               |                                | 00                 | 00              |
| XIII   | Tax expense of earlier period                             |                                | 00                 | 00              |
| XIV  | Profit/(Loss) from Discontinuing operations               | (XII - XIII)                   | <b>00</b>          | <b>00</b>       |
| XV   | Profit/(Loss) for the period (XI + XIV)                   |                                | <b>(210343)</b>    | <b>(361561)</b> |
| XVI  | Earning per equity share:                                 |                                |                    |                 |
|  | (1) Basic   |                                | 00                 | 00              |
|  | (2) Diluted   |                                | 00                 | 00              |
| <b>Notes to Accounts</b>   |   | <b>1 to 18</b>                 |                    |                 |
| Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement |   |                                |                    |                 |
| This is the Profit & Loss Statement referred to in our Report of even date.                          |   |                                |                    |                 |
| For Y. D. & Co.  |   | FOR AND ON BEHALF OF THE BOARD |                    |                 |
| CHARTERED ACCOUNTANTS  |   |                                |                    |                 |
| Firm Reg. No. 018846 N   |   |                                |                    |                 |
| (CA RAKESH PURI)   |   | KETANBHAI SORATHIYA            | NILESHKUMAR KHATRI |                 |
| PARTNER  |   | (DIRECTOR)                     | (DIRECTOR)         |                 |
| Membership No. 092728  |   |                                |                    |                 |
| Place: Ludhiana  |   | Place: Vadodara                |                    |                 |
| Date: 26.05.2014   |   | Date: 26.05.2014               |                    |                 |

| <b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014</b>  |                                       |                           |
|---|---------------------------------------|---------------------------|
| ( Amount in Rupees)   |                                       |                           |
|   | 2013-14                               | 2012-13                   |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>  |                                       |                           |
| Net Profit/(Loss) before Tax and Extra Ordinary Items   | (210343)                              | (361561)                  |
| <b>Operating Profit before Working Capital Changes</b>  | (210343)                              | (361561)                  |
| <b>Changes in Working Capital</b>   |                                       |                           |
| Increase/(Decrease) in Receivables  | (40004500)                            | (83211500)                |
| Changes in Loans, Advances Tax/TDS  | 80106761                              | 349445449                 |
| Increase/(Decrease) in Other payables   | (70732)                               | 53933                     |
| Less-Tax paid   | 00                                    | 00                        |
| <b>Net cash from Operating Activities</b>   | 39821186                              | 265926321                 |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES :</b>   |                                       |                           |
| Purchase /sale of Investment  | (39935168)                            | (282731300)               |
| <b>Net cash flow from Investing Activities</b>  | (39935168)                            | (282731300)               |
| <b>C Cash Flow From Financing Activities</b>  |                                       |                           |
| Proceeds from issue of : Preferential Warrant   | 0                                     | 14000000                  |
| Proceeds from : Premium on warrant  | 0                                     | 56000000                  |
| Public Issue expenses/adjustments   | 00                                    | 00                        |
| Proceeds from Borrowing   | 0                                     | (53250000)                |
| <b>Net Cash Received From Financing Activities</b>  | 0                                     | 16750000                  |
| <b><u>Net Increase/(Decrease) in Cash &amp; Cash Equivalent(A+B+C)</u></b>  | <b>(113982)</b>                       | <b>(54979)</b>            |
| Opening cash & cash equivalent  | 2318034                               | 2373013                   |
| Closing cash & cash equivalent  | 2204052                               | 2318034                   |
| <b>Notes :</b>  |                                       |                           |
| 1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash flow Statements" Issued by the ICAI. |                                       |                           |
| 2. Previous Year's figures have been reclassified to confirm with current year's presentation, where applicable   |                                       |                           |
| This is the Cash Flow Statement referred to in our report of even date.   |                                       |                           |
| <b>For Y. D. &amp; Co.</b>  | <b>FOR AND ON BEHALF OF THE BOARD</b> |                           |
| <b>CHARTERED ACCOUNTANTS</b>  |                                       |                           |
| <b>Firm Reg. No. 018846 N</b>   |                                       |                           |
| <br>  |                                       |                           |
| <b>(CA RAKESH PURI)</b>   | <b>KETANBHAI SORATHIYA</b>            | <b>NILESHKUMAR KHATRI</b> |
| <b>PARTNER</b>  | <b>(DIRECTOR)</b>                     | <b>(DIRECTOR)</b>         |
| <b>Membership No. 092728</b>  |                                       |                           |
| <b>Place: Ludhiana</b>  | <b>Place: Vadodara</b>                |                           |
| <b>Date: 26.05.2014</b>   | <b>Date: 26.05.2014</b>               |                           |

**NOTE: 1: SIGNIFICANT ACCOUNTING POLICIES**

- (1) The Accounts are prepared on an accrual basis except otherwise stated and under the historical cost conventions, and are in line with the relevant laws as well as the guidelines prescribed by the Department of Company affairs and the Institute of Chartered Accountants of India.
- (A) **SYSTEM OF ACCOUNTING:** The Company has adopted the accrual basis of accounting in the Preparation of the books of accounts.
- (B) **REVENUE RECOGNITION:** All incomes are accounted for on accrual basis.
- (C) **EXPENSES:** It is Company's policy to account for expenses on accrual basis.
- (D) **TAXATION:** Provision for current tax is not made in the absence of taxable profits during the year as per the applicable provisions of the Income Tax Act, 1961. Deferred Tax Liability/Assets have not arisen during the year.
- (E) **INVENTORIES:** The Company does not have inventories.
- (F) **FIXED ASSETS:** Fixed assets are carried at cost less depreciation. Capital work-in-progress is carried at direct cost subject to loading of indirect/incidental cost at the time of capitalization.
- (G) **INVESTMENTS:** Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in the opinion of the management.
- (H) **RETIREMENT BENEFITS:** Provisions of Gratuity are not applicable, as none of the employee has put qualifying service for the same.
- (I) **MISCELLANEOUS EXPENDITURE:** Preliminary Expenses are amortized over 5 years.

**Note : 2 Share Capital**

| Sr. No | Particulars   | Rs.                  |                  |
|--------|---|----------------------|------------------|
|        |   | Current Year         | Previous Year    |
| 1      | <b>AUTHORIZED CAPITAL</b><br>1,50,00,000 Equity Shares of Rs. 10/- each   | 150000000            | 150000000        |
|        |   | <b>150000000</b>     | <b>150000000</b> |
| 2      | <b>ISSUED CAPITAL:</b><br><b>To the Subscribers of the Memorandum</b><br>45,50,000 Equity Shares of Rs. 10/- each     | 45500000             | 45500000         |
| 3      | <b>Subscribed &amp; Paid up :</b><br>42,89,800 Equity Shares of Rs. 10/- each<br>10000000 warrant converted to equity | 42898000<br>10000000 | 42898000<br>00   |
|        | <b>Total in</b>   | <b>142898000</b>     | <b>142898000</b> |

**Note : 3 Reserve & Surplus**

|   |  |                  |                  |
|---|--|------------------|------------------|
| 1 | Securities Premium reserve                 | 400000000        | 400000000        |
| 2 | Surplus (Profit & Loss Account)            | (1379547)        | (1169204)        |
|   | Balance brought forward from previous year | (1169204)        | (807643)         |
|   | Less: Prior Period Item TDS written Off    | 00               | 00               |
|   | Add: Profit for the period                 | (210343)         | (361561)         |
|   | <b>Total in</b>                            | <b>398620453</b> | <b>398830796</b> |

**Note : 4 Long Term Borrowings (Unsecured)**

| Sr. No | Particulars            | Rs.          |               |
|--------|------------------------|--------------|---------------|
|        |                        | Current Year | Previous Year |
| 1      | Other Loans & Advances | 0            | 70732         |
|        | <b>Total in</b>        | <b>0</b>     | <b>70732</b>  |

**Note : 5 Short Term Provisions**

|   |                        |               |               |
|---|------------------------|---------------|---------------|
| 1 | Provision for Taxation | 105936        | 105936        |
| 2 | Audit Fees Provisions  | 10000         | 10000         |
|   | <b>Total in</b>        | <b>115936</b> | <b>115936</b> |

**Note : 6 Non Current Investment**

|   |  |                  |                  |
|---|--|------------------|------------------|
| 1 | Investment in Equity Instrument( At Cost)                |                  |                  |
|   | <b>Quoted</b>  |                  |                  |
|   | 205000 Equity Shares of Simplex Trading And Agencies Ltd | 42098800         | 42098800         |
|   | 5000000 Equity Share of INTERFACE FINANCIAL SERVICES LTD | 5000000          | 5000000          |
|   | KAPPAC PHARMA LTD  | 23000000         | 23000000         |
|   | SAIANAND COMMERCIAL LIMITED                              | 20000000         | 20000000         |
|   | SUN AND SHINE WORLDWIDE LIMITED                          | 80000000         | 80000000         |
|   | TURBOTECH ENGINEERING LIMITED                            | 1708500          | 1708500          |
|   |  | 171807300        | 171807300        |
|   | <b>Unquoted</b>  |                  |                  |
|   | 1750 Eq Shares of Balmukhi Textiles P.Ltd                | 3500000          | 3500000          |
|   | <b>Total in</b>  | <b>175307300</b> | <b>175307300</b> |

**Note : 8 Long Term Loans and Advances**

|   |   |          |                 |
|---|---|----------|-----------------|
| 1 | Other Loans : (Considered Good) ( to corporate) | 0        | 93500000        |
|   | <b>Total in</b>                                 | <b>0</b> | <b>93500000</b> |

**Note : 7 Fixed Asset****I. Fixed Asset**

| Sr. No | Particulars            | Rate  | Gross Block            |                          |                           |                  | Depreciation           |                          |                           |                  | Net Block |                      |
|--------|------------------------|-------|------------------------|--------------------------|---------------------------|------------------|------------------------|--------------------------|---------------------------|------------------|-----------|----------------------|
|        |                        |       | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | 31.03.14  | WDV as on 31.03.2013 |
| I      | <b>Tangible Assets</b> |       |                        |                          |                           |                  |                        |                          |                           |                  |           |                      |
|        | Free Hold Land         | 0.00% | 38000000               | 00                       | 00                        | 38000000         | 00                     | 00                       | 00                        | 00               | 38000000  | 38000000             |
|        | <b>SUB TOTAL (A)</b>   |       | 38000000               | 00                       | 00                        | 38000000         | 00                     | 00                       | 00                        | 00               | 38000000  | 38000000             |
|        | <b>(Previous Year)</b> |       | 38000000               | 00                       | 00                        | 38000000         | 00                     | 00                       | 00                        | 00               | 38000000  | 38000000             |



| Note : 9 Current Investment |   | Rs.              | Rs.              |
|-----------------------------|---|------------------|------------------|
| Sr. No                      | Particulars                               | Current Year     | Previous Year    |
| 1                           | Investment in Equity Instrument( At Cost) |                  |                  |
|                             | <u>Quoted</u>                             |                  |                  |
|                             | 746203 E.S. of Kappac Pharma Ltd          | 37310168         | 0                |
|                             | 70000 E.S. of Maloo Gems Ltd              | 2625000          | 0                |
| 2                           | <u>Unquoted</u>                           |                  |                  |
|                             | Pan Infosystem Pvt. Ltd.                  | 10522800         | 10522800         |
|                             | Parvati Minerals Pvt. Ltd.                | 45000000         | 45000000         |
|                             | Pratik Minerals Pvt. Ltd.                 | 30000000         | 30000000         |
|                             | Rudra Securities & Capital Ltd.           | 12000000         | 12000000         |
|                             | Shankeshwar Metals Pvt. Ltd.              | 30000000         | 30000000         |
|                             | Vashi Construction Pvt. Ltd.              | 20000000         | 20000000         |
|                             | Induram Developers P. Ltd                 | 2000000          | 2000000          |
|                             | <b>Total in</b>                           | <b>189457968</b> | <b>149522800</b> |

| Note : 10 Trade Receivables |                                      |                  |                 |
|-----------------------------|--------------------------------------|------------------|-----------------|
| 1                           | Outstanding for more than six months |                  |                 |
| 2                           | Others                               |                  |                 |
|                             | a) Secured, Considered Good :        | 00               | 00              |
|                             | b) Unsecured, Considered Good :      | 123216000        | 83211500        |
|                             | c) Doubtful                          | 00               | 00              |
|                             | -                                    |                  |                 |
|                             | <b>Total in</b>                      | <b>123216000</b> | <b>83211500</b> |

| Note : 11 Cash & Cash Equivalent |                                 |                |                |
|----------------------------------|---------------------------------|----------------|----------------|
| 1                                | <u>Cash-in-Hand</u>             |                |                |
|                                  | Cash Balance                    | 2191371        | 2300603        |
|                                  | <b>Sub Total (A)</b>            | <b>2191371</b> | <b>2300603</b> |
| 2                                | <u>Bank Balance (Scheduled)</u> |                |                |
|                                  | Bank Of India 540               | 00             | 65             |
|                                  | Bank Of India 544               | 12681          | 17366          |
|                                  | <b>Sub Total (B)</b>            | <b>12681</b>   | <b>17431</b>   |
|                                  | <b>Total [ A + B + C ]</b>      | <b>2204052</b> | <b>2318034</b> |

| Note :12 Short Terms Loans and Advances |                        |                 |              |
|---|------------------------|-----------------|--------------|
| 1                                       | Others                 |                 |              |
|   | Prepaid Expenses       | 55830           | 55830        |
|   | Other Loans & Advances | 13393239        | 0            |
|   | <b>Total in</b>        | <b>13449069</b> | <b>55830</b> |

| Note : 13 Employment Benefit Expenses |                            |               |               |
|---------------------------------------|----------------------------|---------------|---------------|
| 1                                     | Salaries, Bonus, PF & ESIC | 100000        | 187000        |
|                                       | <b>Total in</b>            | <b>100000</b> | <b>187000</b> |

| Note : 14 Financial Cost |                 |            |            |
|--------------------------|-----------------|------------|------------|
| 1                        | Bank Charges    | 250        | 935        |
|                          | <b>Total in</b> | <b>250</b> | <b>935</b> |

**Note : 15 Depreciation & Amortized Cost**

| Sr. No | Particulars                      | Rs.           | Rs.           |
|--------|----------------------------------|---------------|---------------|
|        |                                  | Current Year  | Previous Year |
| 1      | Audit Fees                       | 10000         | 10000         |
| 2      | Annual Custody Fees              | 40449         | 35954         |
| 3      | Listing Fees                     | 44944         | 63039         |
| 4      | Professional Fees                | 0             | 1500          |
| 5      | RTA Expenses                     | 0             | 53933         |
| 6      | Legal Fees                       | 500           | 1500          |
| 7      | Printing And Stationery Expenses | 2200          | 4400          |
| 8      | Misc. Exp.                       | 12000         | 3300          |
|        | <b>Total in</b>                  | <b>110093</b> | <b>173626</b> |

**Note: 16** Expenditure in foreign currency: Nil

**Note: 17** Expenditure in foreign currency: Nil

**Note: 18** Balance of Sundry Debtors, Creditors, Loans & Advances given and accepted as agreed by the management is subject to confirmation.

As per our report of even date:

For Y. D. & Co.  
**CHARTERED ACCOUNTANTS**  
 Firm Reg. No. 018846 N

**FOR AND ON BEHALF OF THE BOARD**

(CA RAKESH PURI)  
 PARTNER  
 Membership No. 092728  
 Place: Ludhiana  
 Date: 26.05.2014

KETANBHAI SORATHIYA NILESHKUMAR KHATRI  
 (DIRECTOR) (DIRECTOR)  
 Place: Vadodara  
 Date: 26.05.2014

**PRESHA METALLURGICAL LIMITED**

A/302, MARUTI COMPLEX, NR. NATUBHAI CIRCLE, GOTRI ROAD, VADODARA-390006

CIN: L27101GJ1990PLC013568 E Mail: preshametallurgivaltd@gmail.com

ANNUAL GENERAL MEETING On 27.09.2014 at 1.00 P.M. at registered office of the company

|                 |  |  |
|-----------------|--|--|
| DP. Id*         |  | Name & address of the registered shareholder |
| Client Id*      |  |  |
| Regd. Folio No. |  |  |

\* Applicable for shareholding in electronic form.

I/We certify that I/We am/are a registered shareholder / proxy for the registered shareholder of the Company. I/We hereby record my/our presence at the Annual General Meeting of the Company

Signature of Member/s/ Proxy**NOTE:** A member or his duly appointed Proxy willing to attend the meeting must fill-up this Admission Slip and hand over at the entrance.

-----Cut Here-----

**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)

|                     |   |
|---------------------|---|
| CIN                 | L27101GJ1990PLC013568   |
| Name of Company     | PRESHA METALLURGICAL LIMITED  |
| Reg. Office Address | A/302, MARUTI COMPLEX, NR. NATUBHAI CIRCLE, GOTRI ROAD, VADODARA – 390006 |
| Name of the Member  |   |
| Registered Address  |   |
| E Mail Id           |   |
| Folio No./Client ID |   |

I/We, being the member (s) of PRESHA METALLURGICAL LIMITED hereby appoint

|           |           |
|-----------|-----------|
| Name      |           |
| Address   |           |
| E mail Id | Signature |

OR FAILING HIM

|           |           |
|-----------|-----------|
| Name      |           |
| Address   |           |
| E mail Id | Signature |

OR FAILING HIM

|           |           |
|-----------|-----------|
| Name      |           |
| Address   |           |
| E mail Id | Signature |

As my/ our Proxy to attend and vote for me/us on my/ our behalf at theAnnual General Meeting of the Company to be held on 27.09.2014 at 1:00 p.m. at registered office of the companyand at any adjournment thereof and respect of such resolution mentioned below:

| Resolution No. | Resolution  | For | Against |
|----------------|---|-----|---------|
| 01             | Adaption of Financial Statement for the year ended 31.03.2014 |     |         |
| 02             | Re Appointment of Mr. NileshKhatri who retires by rotation    |     |         |
| 03             | Appointment of Auditor and Fix their remuneration             |     |         |
| 04             | Appointment of Mr. RamanlalTrivedias Independent Director     |     |         |
| 05             | Appointment of Mr. KetanSorathiya as an Independent Director  |     |         |

Signed on this .....day of .....2014.

Affix  
Revenue  
Stamp

Signature of shareholder ...../ Signature of Proxy .....

**NOTE:**

1. The Proxy need NOT be a Member.
2. The Proxy Form must be deposited at the Registered Office not less than 48 hours before the scheduled time for holding the meeting.

# BOOK-POST

To,

**If undelivered, please return to:**

---

**Reg. Office:** A/302, MARUTI COMPLEX, NR. NATUBHAI CIRCLE, GOTRI ROAD, VADODARA-390006.