



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

5th September, 2014

Mr. Pradeep Goyal,
171/172, Tower A,
Kalpataru Horizon,
S.K. Ahire Marg,
Worli, Mumbai- 400 018

Dear Pradeep Sir,

Sub:- Re-appointment as Chairman & Managing Director of Pradeep Metals Ltd

We are glad to inform you that upon recommendation of the Remuneration Committee, the Board of Directors in its meeting held on 3rd July, 2014 has decided to re-appoint you as Chairman and Managing Director of the Company for a period of 3 (Three) years with effect from 17th December, 2014 till 16th December, 2017 in conformity with Schedule V of the Companies Act, 2013 on the following remuneration:

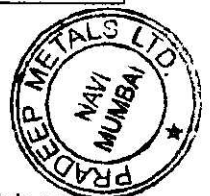
Terms and Conditions for re-appointment

1	Basic Salary	Rs. 7,00,000/- per month
2	Incentive Pay	Subject to maximum of Rs. 25,00,000/- per annum to be decided by the Board of Directors/Nomination and Remuneration Committee depending on performance of the Company.
3	Perquisites (including allowances)	
	Leave Travel Allowance	The yearly payment in the form of allowance shall be equivalent to one month's basic salary.
	Magazines/ Books Allowance	Rs. 50,000/- per annum
	Gas/ Electricity/ Maintenance Allowance	Rs. 96,000/- per annum
	Medical Reimbursement	Expenditure incurred by the Chairman and Managing Director and his family, subject to ceiling of one month's salary (Basic) over a period of three years.
	Club Fees	Actual fees for maximum of two clubs. Admission fee and life membership fees will not be paid by the Company.

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



Contribution to Provident Fund Superannuation Fund or Annuity Fund	To the extent these either singly or put together are not taxable under Income Tax Act, 1961
Gratuity	Payable at a rate not exceeding half month's salary for each completed year of service.
Encashment of leave	At the end of the tenure as per the Company's Rules
Car with driver	For use on the Company's Business
Telephone	At residence and cellular phone. Personal long distance calls on telephone to be charged and recovered by Company.

Explanation:

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

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year during tenure of your service, the above remuneration shall be paid to you as minimum remuneration with the approval of Central Government, if required.

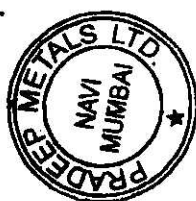
During the term of your office, you shall not be subject to retirement by rotation.

We request you to kindly confirm your acceptance by signing on the duplicate copy of this letter.

Thanking you,

Sincerely,
For Pradeep Metals Ltd.

Suresh G. Vaidya



Suresh G. Vaidya
Director
DIN 00220956



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

CERTIFIED TRUE COPY OF THE INFORMATION AS REQUIRED UNDER PART II SECTION II (A-II) (IV) OF THE SCHEDULE V TO THE COMPANIES ACT, 2013 IS GIVEN AS UNDER:

I. <u>General Information</u>				
1	Nature of the industry	Manufacturer and Exporter of closed die forged and machined components.		
2	Date or expected date of commencement of commercial production	Already in business for more than 25 years.		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable		
4	Financial performance based on given indicators: (As per revised Schedule VI of the Companies Act, 1956)	2013-2014	2012-2013	2011-2012
		(Rs. in Lacs)		
	Gross Receipts	12232.40	13629.75	11797.41
	Profit Before Exceptional Items & Tax	906.44	775.22	735.69
	Profit After Exceptional Items & Tax	604.37	441.25	583.09
5	Export performance and net foreign exchange earnings during the financial year 2013-14	Export turnover	Net foreign exchange earnings	
		Rs. 7327.86 Lacs	Rs. 7166.99 Lacs	
6	Foreign investments or collaborators, if any	USD 5,000 in Wholly Owned Subsidiary-Pradeep Metals Limited- New York, USA		

II. Information about the appointee:

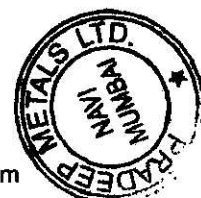
a) Background Details

Mr. Pradeep Goyal is associated with the Company since its incorporation. He is considered for re-appointment as Chairman and Managing Director of the Company due to his vast experience in the industry and strong educational background. He is a qualified engineer having completed his B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur (1978) and obtained his S.M. (Materials Science and Engineering) from the world renowned Massachusetts Institute of Technology, Cambridge, MA, USA, (1980).

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He is currently on the Board of Directors of UPL Limited, Uniphos Enterprises Ltd, Hind Rectifiers Limited, S. V. Shah Construction Services Pvt. Ltd., B S Metal Pvt. Ltd. and Janakalyan Sahakari Bank Ltd. He was trained with Mukand Limited, India and Degussa International, Hanau, West Germany. He also worked at Air Products and Chemicals Inc., Allentown, PA, USA for 3 years at various positions. Mr. Goyal is associated with Company since its incorporation and he is on the Board of Directors since year 1983. He has been holding office as Managing Director since 17th December, 2000. Since 2010, he has also been appointed as Chairman of the Company. The Company has seen exceptional growth due to his technical, marketing and managerial expertise. He has been a Trustee of ASM International, USA, and a Member of All India Manufacturers Organization. He is also a Member of Indo- German Chamber of Commerce, Indian Merchants Chamber and Thane Belapur Industries Association.

Past Remuneration

Details of the remuneration paid to Mr. Pradeep Goyal, during the tenure of his re-appointment from 17th December, 2010 to 16th December, 2013, as Chairman and Managing Director of the Company are as follows:

- a) From 17th December, 2010 To 30th September, 2012 : Rs. 3,00,000/- per month
- b) From 1st October, 2012 To 16th December, 2013 : Rs. 7,00,000/- per month
- c) From 17th December, 2013 to 16th December, 2014 : Rs. 7,00,000/- per month

Apart from the basic salary, he is also eligible for perquisites and allowances as permitted to senior executives of the Company. The salary and perquisites aggregating to Rs. 37,44,165/-, Rs. 71,12,455/- and Rs. 95,28,580/- were paid to him in financial years 2011-12, 2012-13 and 2013-14 respectively.

b) Remuneration Proposed

As per the terms and conditions given in proposed Resolution and Explanatory Statement forming part of Notice of Annual General Meeting.

c) Recognitions and awards

Mr. Pradeep Goyal was awarded the 1st Rank in Metallurgy at I.I.T. Kanpur and received Silver Medal from the President of India. Best Student Metallurgist Award was conferred on him by the Indian Institute of Metals in 1978. He is the recipient of several awards and scholarships all through his career.



d) Job profile and suitability

Mr. Pradeep Goyal is associated with Company since its incorporation and he is on Board of Directors since year 1983. He has been holding office as Managing Director since 17th December, 2000. Since 2010, he has also been appointed as Chairman of the Company. The Company has seen exceptional growth due to his technical, marketing and managerial expertise.

e) Comparative Remuneration Profile with respect to industry; size of Company; profile and position of the person

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

f) Pecuniary Relationship directly or indirectly with the Company or relation with Managerial Person

Mr. Pradeep Goyal belongs to the Promoters' Group and is related to Mrs. Neeru Pradeep Goyal, Director. His son, Mr. Abhinav Pradeep Goyal, has been appointed as Vice President (Business Development & Technology) in the Company for a period of 5 (five) years with effect from 1st September, 2012 on the remuneration of Rs. 30,00,000/- (Rupees Thirty Lacs Only) per annum in terms of Special Resolution passed at the Extra-Ordinary General Meeting held on 29th December, 2012 and Government approval vide letter dated 13th November, 2013.

Besides remuneration being paid/ proposed to be paid, he does not have any pecuniary relationship with the Company.

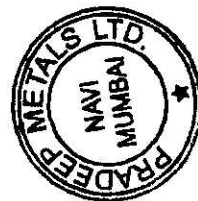
III. Other Information

a) Reasons of loss or inadequate profits

Business profits had been low in the past due to several reasons like overall economic position in the engineering industry, high interest rates, frequent increase in energy and raw material costs and competitive market conditions.

b) Steps taken or proposed to be taken for improvement

The Company has diversified its business in the non-automotive sector, increased exports and value added products with the technical and marketing efforts of Mr. Pradeep Goyal. The Company has developed new customers and also new components for existing customers resulting into increased business. The Company has also embarked on several steel yield improvement methods and energy conservation for improved profitability.



c) **Expected increase in productivity and profits in measurement terms**

Considering the recessionary market conditions prevailing globally and efforts made by the management to develop new products and customers, the Company has set the following targets in terms of sales and profitability;

(Rs. in Lacs)

Year	2014-2015	2015-16	2016-17
Gross Receipts	14717	15856	16831
Net Profit before Tax	987	1147	1280
Net Profit after Tax	667	775	865

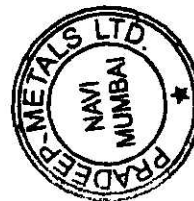
IV. **Disclosure**

- a) Remuneration package of the appointee: As mentioned in the Special Resolution and its Explanatory Statement under Item No. 10.
- b) Disclosure in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report: Requisite Disclosures have been made in the Section on Corporate Governance, attached to and forming part of the Director's Report, published for the Financial year ended on 31st March, 2014.

DATE:- 4th September, 2014

PLACE:- Navi Mumbai

FOR PRADEEP METALS LIMITED



SURESH G. VAIDYA
DIRECTOR
DIN 00220956