



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

PML/SE/2017-18/08

13th May, 2017

The Secretary

BSE Limited

P J Towers

Dalal Street, Mumbai

400 001

Scrip Code: 513532

Dear Sir,

Sub: Outcome of Meeting of Board of Directors.

In continuation to our letter bearing ref. no. PML/SE/2017-18/07 dated 5th May, 2017 and pursuant to Regulation 33 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we wish to inform that the Board of Directors of the Company in its meeting held today has :

1. Approved appointment of Mr. Jayavardhan Dhar Diwan (DIN: 01565319) as an Additional Director (Non-Executive and Independent) on the Board of the Company with effect from 13th May, 2017, who shall hold office upto the date of the ensuing General Meeting of the Company. A brief profile of Mr. Diwan is enclosed;
2. Approved the Audited Financial Results on standalone and consolidated basis for the year ended 31st March, 2017. A copy of the said results, notes thereto and Auditors' Reports are enclosed for your records; and
3. Not recommended any Dividend on Equity Shares for FY 2016-17.

Pursuant to Regulation 33 of the SEBI Listing Regulations (as amended), read with SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, on "Disclosure of the Impact of Audit Qualifications by the Listed Entities", we would like to confirm that N A Shah Associates, LLP, Chartered Accountants, Auditors of the Company, have



R-205, M.I.D.C., RABALE, NAVI MUMBAI - 400 701, INDIA.

Phone : +91-22-2769 1026, 2769 3173 Fax : +91-22-2769 1123

CIN : L99999MH1982PLC026191 E-mail : info@pradeepmetals.com Website : www.pradeepmetals.com



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

issued Audit Reports with unmodified opinion on the Standalone and Consolidated Financial Statements for FY 2016-17.

The meetings of the Audit Committee / Board of Directors of the Company commenced at 11.45 am and concluded at 5.00 pm.

Please take the above information on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited

Suchita Singh
Company Secretary



Rakesh Agarwal
Chief Financial Officer

Annexure

Details pursuant to Regulation 30 of the Listing Regulations, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015.

1. Date of appointment: 13th May, 2017.
2. Term of Appointment: From 13th May, 2017 till 12th May, 2022 (including his tenure as an Additional Director), subject to approval of shareholders at the ensuing General Meeting.
3. Brief Profile: Mr. Jayavardhan Dhar Diwan holds a degree in BE (Metallurgy) from University of Roorkee and has completed his MBA from S P Jain Institute of Management and Research. He started his career in Indian Aluminium post his Engineering degree. He moved to a career in Finance in 1993 post his MBA, as a Senior Research Analyst covering Indian Equities for W I Carr in Mumbai and New York, moving on to KBC Financial Products as Executive Director, covering Global convertible bonds, distressed companies and special situations based out of New York. Currently, Mr. Diwan is the Managing Partner / Advisor to Odyssey India Advisory Private Limited for New York / Mumbai, focused on Convertible Bond / & special situations. The profile of Mr. Diwan is also being uploaded on the website of the Company (www.pradeepmetals.com).
4. Disclosure of relationship between directors: Nil
5. Reason for Change: Appointment of new Independent Director pursuant to a casual vacancy in the office of Independent Director.

Pradeep Metals Limited

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Registered Office : R-205, T.T.C. Ind. Area, MIDC, Rabale, Navi Mumbai 400701

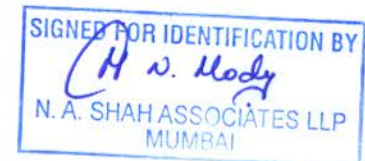
Email id : investors@pradeepmetals.com, Website : www.pradeepmetals.com, Contact no : +91-022-2769 1026, Fax : +91-022-2769-1123

Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2017

Sr. No.	Particulars	Standalone					Consolidated	
		Quarter ended			Year ended		Year ended	
		31st March 2017	31st Dec 2016	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
	Revenue							
1	Revenue from Operations (Net of excise duty)	3,403	3,109	3,291	12,156	11,909	13,280	14,252
2	Other income (Refer note 8)	52	22	53	164	175	137	195
3	Total Revenue (1+2)	3,455	3,131	3,344	12,320	12,084	13,417	14,447
4	Expenses							
(a)	Cost of materials consumed	1,498	1,460	1,339	5,506	5,392	5,681	6,203
(b)	Purchases of stock-in-trade	-	-	-	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	72	(106)	324	(88)	216	(278)	94
(d)	Employee benefits expense	383	422	431	1,635	1,584	2,379	2,762
(e)	Finance costs	33	160	141	542	676	631	770
(f)	Depreciation and amortisation expense (Refer note 8)	97	111	130	390	370	507	468
(g)	Manufacturing expenses (Refer note 8)	831	683	707	2,671	2,540	3,243	3,165
(h)	Other expenses (Refer note 8)	257	224	190	877	792	1,158	945
	Total Expenses	3,171	2,954	3,262	11,533	11,570	13,320	14,408
5	Profit before exceptional and extra ordinary items and tax (3-4)	284	177	82	787	514	97	39
6	Less: Exceptional items (Refer Note no.5)	-	-	-	-	-	155	-
7	Profit / (Loss) before extra ordinary items and tax (5-6)	284	177	82	787	514	(59)	39
8	Extraordinary items	-	-	-	-	-	-	-
9	Profit / (Loss) before tax (7-8)	284	177	82	787	514	(59)	39
10	Tax Expense							
1. Current tax		85	42	20	240	104	240	104
2. Deferred tax		8	18	24	24	67	24	67
3. MAT credit entitlement		-	-	(42)	-	(42)	-	(42)
4. Income tax, deferred tax and MAT credit of earlier years (net)		33	(27)	9	5	9	5	(20)
11	Profit (Loss) for the period from continuing operations (9-10)	158	145	71	517	376	(328)	(70)
12	Profit (Loss) from discontinuing operations	-	-	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-	-	-
14	Profit (Loss) from discontinuing operations (after tax) (12-13)	-	-	-	-	-	-	-
15	Profit (Loss) for the period before minority interest (11+14)	158	145	71	517	376	(328)	(70)
16	(Less) / add: allocation to minority interest	-	-	-	-	-	(393)	(145)
17	Profit (Loss) for the period after minority interest (15-16)	158	145	71	517	376	65	75
18	Paid-up equity share capital (Face value of Rs. 10/- per share)	1,726	1,726	1,726	1,726	1,726	1,726	1,726
19	Earnings per equity share of Rs. 10/- each (Not annualised)							
(a) Basic		0.91	0.84	0.41	3.00	2.17	0.37	0.43
(b) Diluted		0.91	0.84	0.41	3.00	2.17	0.37	0.43



Signature



Pradeep Metals Limited
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Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2017 (Continued)

Notes to financial results:

1 Standalone/ Consolidated Statement of Assets and Liabilities

(Rupees in lakhs)

Particulars	Standalone		Consolidated*	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES				
Shareholder's funds				
Share capital	1,726	1,726	1,726	1,726
Reserves and surplus	2,729	2,212	2,005	1,967
Sub total - Shareholders' funds	4,455	3,938	3,731	3,693
Minority interest			91	418
Government grant pending apportionment to profit & loss	214	-	214	-
Non-current liabilities				
Long term borrowings	1,463	1,179	2,382	2,393
Deferred tax liabilities (Net)	504	413	504	413
Long term provisions	82	168	82	176
Other long term liabilities	-	-	-	3
Sub total - Non-current liabilities	2,049	1,760	2,968	2,985
Current liabilities				
Short-term borrowings	5,973	5,754	6,060	5,856
Trade payables				
- total outstanding dues of micro and small enterprises	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	855	556	1,744	1,196
Other current liabilities	1,143	846	1,784	1,349
Short-term provisions	179	97	179	97
Sub total - Current liabilities	8,150	7,253	9,767	8,498
Total	14,868	12,951	16,771	15,594
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets (Property plant and equipment)	4,358	3,624	4,671	4,201
Intangible assets	62	68	1,238	68
Goodwill arising on consolidation	-	-	247	1,629
Capital Work-in-Progress	588	253	588	253
Intangible assets under development	97	-	97	-
Non-current investments	879	544	0	0
Long term loans and advances	701	741	719	775
Other non-current assets	-	1	-	1
Sub total - Non-current assets	6,685	5,231	7,560	6,927
Current assets				
Inventories	2,533	3,007	3,473	3,789
Trade receivables	4,136	3,455	4,042	3,305
Cash and bank balances	227	49	413	387
Short-term loans and advances	201	198	204	219
Other current assets	1,086	1,011	1,079	967
Sub total - current assets	8,183	7,720	9,211	8,667
Total	14,868	12,951	16,771	15,594

* Refer note 5 below



SIGNED FOR IDENTIFICATION BY
H. V. Noddy
N. A. SHAH ASSOCIATES LLP
MUMBAI

Pradeep Metals Limited

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Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2017 (Continued)

2. The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 13th May 2017.

3. Other current asset referred in note 1 above includes Rs. 343.29 lakhs as on 31st March 2017 (Previous year Rs. 216.00 lakhs) receivable from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power generated from windmill prior to the date of Power Purchase Agreement (PPA). Further, due to technical issues, no power was generated from 9th August 2016 till 6th May 2017 in respect of which claim for the compensation (up to March 2017) of Rs. 100 lakhs as accepted by the operator has been included in other operating income in the current quarter. The PPA has been executed with MSEDCL on 21st March 2017. Considering the above, in view of the management, no uncertainty exists for the amount recoverable of Rs. 343.29 lakhs and therefore, no provision for doubtful receivables is required to be made.

The statutory auditor has drawn reference of this matter in their report on the standalone financial results for the current quarter. Reference was also drawn on this matter by the statutory auditor on the matter of receivable from MSEDCL in their report for the earlier quarters and in the previous financial year.

4. During the current quarter, investment of Rs. Nil is made in wholly owned subsidiary i.e. Pradeep Metals Limited Inc., USA ('WOS') (for the quarter ended 31st December 2016 Rs. Nil, for the quarter ended 31st March 2016 Rs. Nil, for the year ended 31st March 2017 Rs. 335.45 lakhs, for the year ended 31st March 2016 Rs. 275.75 lakhs).

5. A dispute had arisen between WOS and the partner holding 49% share in step down subsidiary (SDS) (51% share is held by Company's WOS). The matter is now sub-judice and suitable representations are being made in the court by WOS in this matter. Further, based on the legal advice, in the consolidated financial results for the current year, accounting effect has been given for the impact due to change in acquisition date of SDS. The net impact of Rs. 155 lakhs on account of such change in date has been disclosed as exceptional item in consolidated financial results for the year ended 31st March 2017. In the opinion of management, further accounting adjustments (if any) in SDS will be made only after the final outcome of the dispute. As a consequence of change in acquisition date of SDS, figures for current year are not comparable with previous year in consolidated financial results.

Further, operating losses in the consolidated results of WOS during the current and earlier year are on account of weak demand from the oil, gas and engineering sectors to which the subsidiaries supply their products. Also legal costs have added to the losses. Management is expecting the revival in demand which would enable it to recover the past losses. Based on the projections and considering that the investment made in WOS is of strategic nature, in the opinion of management, no provision for diminution in the value of investment in WOS is required as at 31st March 2017 in the standalone financial results. The statutory auditor have drawn reference of above matters in their report on the standalone financial results for the current quarter and reference was drawn in respect of the dispute in SDS in their report for the earlier quarters also.

6. During the current year, dies have been reclassified from inventories to fixed assets in accordance with revised Accounting Standard 10 - 'Property, Plant and Equipment'. Accordingly, opening inventory of Rs. 906.12 lakhs has been transferred to fixed assets and depreciated based on the balance useful life. Due to this change, profit before tax for the year is lower by Rs. 90.61 lakhs.

7. Export sales in standalone results includes sales made to wholly owned subsidiary of the Company in USA as given below :

Particulars	Quarter ended			Year ended	
	31st March 2017	31st Dec 2016	31st March 2016	31st March 2017	31st March 2016
Pradeep Metals Limited Inc., USA	336	184	132	941	706

(Rs. in lakhs)

8. Prior period items:

Particulars	Standalone					Consolidated	
	Quarter ended			Year ended		Year ended	
	31st March 2017	31st Dec 2016	31st March 2016	31st March 2017	31st March 2016	31-Mar-2017	31-Mar-2016
Expenses:							
Depreciation charged / (reversal)	(13)	-	-	(39)	-	(39)	-
Other expenses (net)	1	-	65	8	20	41	24
Dies repairs (Manufacturing expenses)	99	-	-	-	-	-	-
Income:							
Lease rent recovery (other operating income)	-	-	-	-	-	82	-

(Rs. in lakhs)

9. Consolidated financial statements / results are prepared in accordance with Accounting Standards 'consolidated financial statements' and includes financial results in respect of :

- Unaudited financials of Pradeep Metals Limited, Inc. (wholly owned subsidiary) for the year ended 31st March 2017
- Unaudited financials of Dimensional Machine Works LLC (SDS) for the year ended 31st March 2017

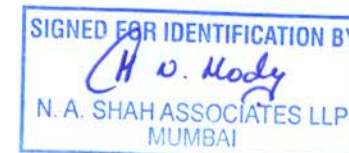
10. Figures for the last quarters are balancing figures between audited figures in respect of the full financial year and published year to date figures upto the 3rd quarter of the relevant financial year.

11. Segment disclosure:

The Company is primarily engaged in manufacturing of closed die steel forgings & processing. The Company had started generating & supplied power generated from wind turbine generator to Maharashtra State Electricity Distribution Company Limited (MSEDCL) from 31st March, 2015. Since power purchase agreement with MSEDCL has been executed in current quarter, wind mill operation is disclosed as separate segment in current year and previous year. (Also refer note 3 above)



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Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2017 (Continued)

(Rupees in lakhs)

Particulars	Standalone					Consolidated	
	Quarter ended			Year ended		Year ended	
	31st March 2017	31st Dec 2016	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
Segment revenue							
(a) Closed die steel forging and processing	3,303	3,109	3,252	11,929	11,693	13,994	14,742
(b) Power generation	100	-	39	227	216	227	216
Total	3,403	3,109	3,291	12,156	11,909	14,221	14,958
Less: Intersegment revenue	-	-	-	-	-	942	706
Net sales / income from operations	3,403	3,109	3,291	12,156	11,909	13,280	14,252
Segment result							
Profit / (loss) before tax, finance cost and other unallocable expenses / (income)							
(a) Closed die steel forging and processing	391	388	218	1,291	1,148	992	1,064
(b) Power generation	86	(14)	25	171	160	171	160
Total	477	374	243	1,462	1,308	1,163	1,224
Less:							
(i) Finance cost	33	160	141	542	676	631	770
(ii) Other un-allocable expenditure / (income)(net)	160	37	20	133	118	591	415
Profit before tax/(Loss)	284	177	82	787	514	(59)	39
Capital employed							
Segment assets							
(a) Closed die steel forging and processing	11,675	11,500	10,494	11,675	10,494	12,638	11,714
(b) Power generation	1,669	1,583	1,497	1,669	1,497	1,669	1,497
(c) Unallocated	1,524	1,601	960	1,524	960	2,464	2,383
Total (A)	14,868	14,684	12,951	14,868	12,951	16,771	15,594
Segment liabilities							
(a) Closed die steel forging and processing	4,677	4,261	3,313	4,677	3,313	5,715	3,997
(b) Power generation	128	128	128	128	128	128	128
(c) Unallocated	5,608	5,783	5,572	5,608	5,572	7,197	7,776
Total (B)	10,413	10,172	9,013	10,413	9,013	13,040	11,901
Capital Employed (Segment Assets- Segment Liabilities) (A-B)							
(a) Closed die steel forging and processing	6,998	7,239	7,181	6,998	7,181	6,923	7,717
(b) Power generation	1,541	1,455	1,369	1,541	1,369	1,541	1,369
(c) Unallocated	(4,084)	(4,182)	(4,612)	(4,084)	(4,612)	(4,733)	(5,393)
Total	4,455	4,512	3,938	4,455	3,938	3,731	3,693

12. Tax expenses for the year ended 31st March 2017 is net of tax adjustments arising upon finalisation of income tax return of F.Y. 2015-16, which includes (a) recognition of additional MAT credit entitlement and (b) reversal / recognition of deferred tax assets / liabilities pertaining F.Y. 2015-16.

13. In the quarter ended 31st March 2016, the Company had declared and paid interim dividend of Rs. 0.60 per share aggregating to Rs. 125 lakhs (including dividend distribution tax).

14. The figures of the previous periods / year have been regrouped or rearranged wherever considered necessary.

SIGNED FOR IDENTIFICATION BY
H. V. Noddy
N. A. SHAH ASSOCIATES LLP
MUMBAI

For Pradeep Metals Limited
Pradeep Goyal
Pradeep Goyal
Chairman and Managing Director
DIN: 00008370
Mumbai
13th May 2017



ORIGINAL

Report on quarterly and year to date standalone financial results of Pradeep Metals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors of
Pradeep Metals Limited

Report on quarterly & year to date standalone financial results

We have audited the accompanying standalone financial results of **Pradeep Metals Limited ('the Company')** for the year ended 31st March, 2017 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The Statement includes the results for the quarter ended 31st March, 2017 being the derived figures between the audited figures in respect of the current full financial year ended 31st March, 2017 and the published unaudited year-to-date figures upto 31st December, 2016, being the date of the end of the third quarter of the financial year, which were subjected to a limited review.

Management's Responsibility

These quarterly and year to date standalone financial results have been prepared on the basis of the annual standalone financial statements, which are the responsibility of the Company's management.

Auditor's Responsibility

Our responsibility is to express an opinion on this Statement which have been prepared on the basis of the annual standalone financial statements, in accordance with Accounting Standards specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the standard on auditing generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statement are free from material misstatement.

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

We believe that our audit provides a reasonable basis for our opinion.

Opinion

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

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July 2016 in this regard; and

N. A. SHAH ASSOCIATES LLP

Chartered Accountants

- (ii) give a true and fair view of the net profit and other financial information for the year ended 31st March, 2017.

Emphasis of Matter

1. Reference is invited to note 3 of the notes to the financial results in respect of amount recoverable of Rs.343.29 lakhs as on 31st March 2017 (as on 31st March 2016 of Rs.216.00 lakhs) from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power generated from windmill prior to the date of Power Purchase Agreement (PPA). Further, due to technical issues, no power was generated from 9th August 2016 till 6th May 2017 in respect of which claim for the compensation of Rs. 100 lakhs (upto March 2017) as accepted by the operator has been included in other operating income in the current quarter. The PPA has been executed with MSEDCL on 21st March 2017 and in view of the management, no uncertainty exist for the amount recoverable of Rs. 343.29 lakhs. Considering the same, in the opinion of management, no provision for doubtful receivables is required to be made.

In respect of receivable from MSEDCL matter above, attention was also drawn in our earlier reports for four quarters and it was reported under Emphasis of Matter paragraph in independent auditors report issued for the year ended 31st March 2016.

2. Reference is invited to note 5 of the notes to the financial results;

- a) In respect of dispute between wholly owned subsidiary (WOS) of the Company and the partner in step down subsidiary (SDS) in USA. In the opinion of the management, appropriate steps are taken by the WOS in this matter.
- b) In respect of operating losses of WOS and SDS during the current and earlier year. As informed to us, losses are on account of (a) weak demand from the oil, gas and engineering sectors to which subsidiaries supply their products and (b) due to legal cost in respect of dispute as mentioned above. Management is expecting the revival in the demand which would enable it to recoup the past losses.

In view of the above and based on the projections and considering that the investment made in WOS is of strategic nature, in the opinion of management, no provision for diminution in the value of investment in WOS or other accounting treatment (if any) is required as at 31st March 2017 in standalone financial results.

In respect of matter covered in 2(a), attention was also drawn in our report for earlier 3 quarters.

Our opinion is not qualified in respect of matters referred in para 1 and 2 above.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560WW100149

H. V. Mody

Milan Mody

Partner

Membership number: 103286



Place: Mumbai

Date: 13 MAY 2017

Report on consolidated financial results of Pradeep Metals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors of
Pradeep Metals Limited

Report on consolidated financial results

We have audited the accompanying consolidated financial results of **Pradeep Metals Limited** ('the Company') and its subsidiary and step down subsidiary (collectively referred to as 'the Group') for the year ended 31st March, 2017 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

Management's Responsibility

These consolidated financial results are have been prepared on the basis of the annual consolidated financial statements, which are the responsibility of the Company's management.

Auditor's Responsibility

Our responsibility is to express an opinion on this Statement which have been prepared on the basis of the annual consolidated financial statements and in accordance with Accounting Standards specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the standard on auditing generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statement are free from material misstatement.

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

We believe that our audit provides a reasonable basis for our opinion.

Opinion

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

- (i) include the year to date unaudited financial results of Pradeep Metals Limited, Inc. (wholly owned subsidiary) and Dimensional Machine Works LLP (step down subsidiary);
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July 2016 in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the year ended 31st March, 2017.

N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Emphasis of Matter

1. Reference is invited to note 3 of the notes to the financial results in respect of amount recoverable of Rs.343.29 lakhs as on 31st March 2017 (as on 31st March 2016 of Rs.216.00 lakhs) from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power generated from windmill prior to the date of Power Purchase Agreement (PPA). Further, due to technical issues, no power was generated from 9th August 2016 till 6th May 2017 in respect of which claim for the compensation of Rs. 100 lakhs as accepted by the operator (up to March 2017) has been included in other operating income in the current quarter. The PPA has been executed with MSEDCL on 21st March 2017 and in view of the management, no uncertainty exist for the amount recoverable of Rs. 343.29 lakhs. Considering the same, in the opinion of management, no provision for doubtful receivables is required to be made.

In respect of receivable from MSEDCL matter above, attention was also drawn in our report on the financial results for the year ended 31st March 2016 and it was also reported under Emphasis of Matter paragraph in independent auditors report issued for the year ended 31st March 2016.

2. Reference is invited to note 5 of the notes to the financial results in respect of dispute between wholly owned subsidiary (WOS) of the Company and the partner in step down subsidiary (SDS) in USA. In the opinion of the management, appropriate steps are taken by the WOS in this matter. Further, based on the legal advice, in the consolidated financial results for the current year, accounting effect has been given for impact due to change in acquisition date of SDS. In the opinion of management, further accounting adjustments (if any) in consolidated financial results will be made only after the final outcome of the dispute.

Our opinion is not modified in respect of matters referred in para 1 and 2 above.

Other Matters

We did not audit the financial statements of one wholly owned subsidiary and one step down subsidiary for the year ended 31st March 2017 included in the consolidated statements, whose financial statements reflect total assets of Rs. 3,658.62 lakhs as at 31st March 2017, total revenues of Rs. 1,984.76 lakhs and net cash flows aggregating to Rs. 151.37 lakhs. The unaudited financial statements of wholly owned subsidiary and step down subsidiary prepared in accordance with generally accepted accounting principles in India, have been certified by the Company's management and our opinion on the consolidated statements of the Group for the year then ended to the extent they relate to the statement as stated in this paragraph, is based solely on such management certified financial statements. Our opinion on the consolidated statements is not modified in respect of the above matter.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W/W100149

M. V. Mody

Milan Mody

Partner

Membership number: 103286



Place: Mumbai

Date: 13 MAY 2017