



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

PML/SE/2017-18/16

21st August, 2017

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

Dear Sir,

Sub: Outcome of Board Meeting.
Scrip Code: 513532

This is in continuation to our letter bearing ref. no. PML/SE/2017-18/15 dated 11th August, 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 (the Listing Regulations).

We wish to state that the Board of Directors of the Company in its meeting held today, has considered and approved the Unaudited Financial Results on Standalone basis for the quarter ended 30th June, 2017. A copy of the said results, notes thereto and Limited Review Report of the Auditors is enclosed for your records.

The meetings of the Audit Committee / Board of Directors of the Company commenced at 11.00 am and concluded at 1.45 pm.

Please take the above information on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited

Suchita Singh
Company Secretary
& Compliance Officer

Rakesh Agarwal
Chief Financial Officer



Pradeep Metals Limited

CIN: L99999MH1982PLC026191

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

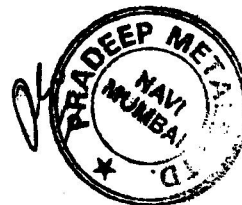
Email id : investors@pradeepmetals.com, Website : pradeepmetals.com, Contact no : +91-022-2769 1026, Fax :+91-022-2769-1123

Statement of unaudited standalone financial results for the quarter ended 30th June 2017

Sr. No.	Particulars	Standalone				(Rs. in lakhs)
		Quarter ended			Year Ended	
		30-Jun-2017	31-Mar-2017	30-Jun-2016	31-Mar-2017	
		Unaudited	Unaudited	Unaudited	Unaudited	
1	Total Income from Operations	3,110	3,523	2,639	12,568	
2	Other income	62	52	36	164	
	(A) Total Revenue (1+2)	3,173	3,575	2,675	12,732	
3	Expenses					
(a)	Cost of materials consumed	1,365	1,468	1,059	5,381	
(b)	Purchases of stock-in-trade	-	-	-	-	
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5)	72	(4)	(88)	
(d)	Excise duty	91	122	96	419	
(e)	Employee benefits expense	450	375	394	1,590	
(f)	Finance costs	148	31	182	550	
(g)	Depreciation and amortisation expense	99	110	107	432	
(h)	Manufacturing expenses	653	865	601	2,800	
(i)	Other expenses	241	254	186	868	
	(B) Total Expenses	3,042	3,297	2,621	11,952	
4	Profit before exceptional and extra ordinary items and tax (A-B)	131	277	54	780	
5	Less: Exceptional items	-	-	-	-	
6	Profit / (Loss) before tax (4-5)	131	277	54	780	
7	Tax Expense					
1.	Current tax	(56)	(84)	(28)	(237)	
2.	Deferred tax	12	(7)	11	(22)	
3.	Income tax, deferred tax and MAT credit of earlier years (net)	-	(33)	-	(5)	
8	Profit (Loss) for the period from continuing operations (6-7)	87	154	37	515	
9	Profit (Loss) from discontinuing operations	-	-	-	-	
10	Tax expense of discontinuing operations	-	-	-	-	
11	Profit (Loss) from discontinuing operations (after tax) (9-10)	-	-	-	-	
12	Profit (Loss) for the period (8+11)	87	154	37	515	
13	Other Comprehensive Income (OCI)					
A (i)	Items that will not be reclassified to profit or loss					
	Remeasurement (gain)/loss of net defined benefit liability	(9)	(9)	(9)	(36)	
(ii)	Income tax relating to items that will not be reclassified to profit or loss	3	3	3	12	
B (i)	Items that will be reclassified to profit or loss	-	-	-	-	
(ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	
	Total of Other Comprehensive Income	(6)	(6)	(6)	(24)	
14	Total Comprehensive Income for the period (12+13) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	81	147	31	491	
15	Paid-up equity share capital (Face value of Rs. 10/- per share)	1,726	1,726	1,726	1,726	
16	Reserves excluding revaluation reserve (refer note 2 below)				2,693	
17	Earnings per equity share of Rs. 10/- each (Not annualised)					
(a)	Basic	0.51	0.89	0.21	2.98	
(b)	Diluted	0.51	0.89	0.21	2.98	

Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 21st August 2017. Statutory auditors have carried out limited review in respect of financial results for quarter ended 30th June 2017.
- The above results have been prepared in accordance with the Indian Accounting Standards [Ind AS] notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended). Beginning 1st April 2017, the Company has for the first time adopted Ind AS. The impact of transition has been provided in Other Equity (opening reserves as per Previous Generally Accepted Accounting Principles (Previous GAAP) as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirements of Ind AS.



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H. V. Noddy
 N. A. SHAH ASSOCIATES LLP
 MUMBAI

Statement of unaudited standalone financial results for the quarter ended 30th June 2017

As per the exemptions given in SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016, financial results for quarter ended 30th June 2016, quarter ended 31st March 2017 and year ended 31st March 2017 including the reconciliation of profit for these quarters/year and reconciliation of other equity (reserves) as at 31st March 2017 with reported figures under Previous GAAP are not audited or reviewed by the statutory auditors. However, management has exercised necessary due diligence to ensure that the financial results provide true & fair view of its affairs.

Reconciliation of net profit for the corresponding results between Previous GAAP and Ind AS as under:-

Particular	(Rs. in lakhs)		
	Quarter ended 31- March-2017	Quarter ended 30- Jun-2016	Year ended 31- March-2017
Net Profit / (Loss) as per Previous GAAP	158	66	517
Actuarial (gain)/ loss on employee defined liability reclassified to OCI	9	9	36
Depreciation on dies capitalised	-	(23)	-
Depreciation on standby equipments	(1)	(1)	(4)
Prior period items as per Previous GAAP reclassified in respective periods/opening reserves	(16)	(32)	(39)
Taxes on above	3	19	5
Net Profit / (Loss) before OCI as per Ind AS (A)	153	37	516
Other comprehensive income (net of tax) (B)	(6)	(6)	(24)
Total Comprehensive Income / (loss) (A+B)	147	31	491

Reconciliation of Other Equity (Reserves) as per serial no. 16 of the financial results above

Particular	(Rs. in lakhs)	
	As at 31st March 2017	
Other Equity (Reserves) as per Previous GAAP	2,729	
Adjustments:		
Impact of depreciation on capitalisation of standby equipments	(27)	
Deferred tax on above	9	
Prior period items as per Previous GAAP reclassified in respective periods/opening reserves	(21)	
Current tax on prior period items adjusted in FY 2016-17	3	
Other Equity (Reserves) as per Ind AS	2,693	

3 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 March 2017 Rs. Nil, for the quarter ended 30th June 2016 Rs. Nil, for the year ended 31st March 2017 Rs. 335.45 lakhs.)

4 In respect of dispute which had arisen between WOS and the partner holding 49% share in step down subsidiary (SDS) (51% share is held by Company's WOS) in previous year, Court appointed mediator has proposed out of court settlement which is under consideration by both parties.

Further, in view of development in the settlement of dispute in SDS, expected revival of demand from the oil, gas and engineering sectors to which the subsidiaries supply their products, their improved performance in the first quarter, 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 30th June 2017. The statutory auditor have drawn reference of above matter 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 in previous quarters and financial year 2016-17 also.

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

Particulars	(Rs. in lakhs)			
	Quarter ended			Year ended
	30-Jun-2017	31-Mar-2017	30-Jun-2016	31-Mar-2017
Pradeep Metals Limited Inc., USA	369	336	156	941

6 Other income include foreign exchange gain as given below:

Particulars	(Rs. in lakhs)			
	Quarter ended			Year ended
	30-Jun-2017	31-Mar-2017	30-Jun-2016	31-Mar-2017
Foreign exchange gain	58	33	28	120



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Statement of unaudited standalone financial results for the quarter ended 30th June 2017

7 Segment disclosure:

The Company is primarily engaged in manufacturing of closed die forgings & steel processing and generating power from wind turbine generator.

Particulars	(Rs. in lakhs)			
	Standalone			
	Quarter ended		Year ended	
	30-Jun-2017	31-Mar-2017	30-Jun-2016	31-Mar-2017
	Unaudited	Unaudited	Unaudited	Unaudited
Segment revenue				
(a) Closed die steel forging and processing	3,068	3,423	2,567	12,346
(b) Power generation	42	100	72	223
Total	3,110	3,523	2,639	12,568
Less: Intersegment revenue	-	-	-	-
Net sales / income from operations	3,110	3,523	2,639	12,568
Segment result				
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)				
(a) Closed die steel forging and processing	247	161	184	1,297
(b) Power generation	22	86	58	166
Total	269	247	242	1,463
Less:				
(i) Finance cost	148	31	182	550
(ii) Other un-allocable expenditure / (income)(net)	(10)	(61)	6	133
Profit before tax	131	277	64	780
Capital employed				
Segment assets				
(a) Closed die steel forging and processing	12,029	11,748	10,125	11,748
(b) Power generation	1,691	1,652	1,612	1,652
(c) Unallocated	1,489	1,427	957	1,427
Total (A)	15,209	14,827	12,694	14,827
Segment liabilities				
(a) Closed die steel forging and processing	1,553	1,692	1,153	1,692
(b) Power generation	138	128	128	128
(c) Unallocated	9,018	8,589	7,455	8,589
Total (B)	10,709	10,408	8,735	10,408
Capital Employed (Segment Assets- Segment Liabilities) (A-B)				
(a) Closed die steel forging and processing	10,477	10,056	8,973	10,056
(b) Power generation	1,553	1,525	1,485	1,525
(c) Unallocated	(7,529)	(7,162)	(6,498)	(7,162)
Total	4,500	4,419	3,960	4,419

8 In the quarter ended 30th June 2017, the Company has not declared any dividend (In quarter ended 31st March 2017 Rs. Nil, quarter ended 30th June 2016 Rs. Nil and year ended 31st March 2017 Rs. Nil)



for Pradeep Metals Limited

Pradeep Goyal

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Mumbai
21st August 2017

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

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

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

To
The Board of Directors of
Pradeep Metals Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results ("the Statement") of Pradeep Metals Limited ("the Company") for the quarter ended on 30th June 2017, 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) read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, which has been initialed by us for identification purpose.

2. Management's responsibility for the Statement

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

3. Auditor's responsibility

Our responsibility is to issue a report on this statement based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

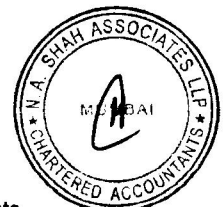
4. Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid Indian Accounting Standards i.e. 'Ind AS' prescribed under section 133 of the companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of matter

Reference is invited to note 4 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. We are informed that Court appointed mediator has proposed out of court settlement which is under consideration by both the parties
- b. In respect of accumulated operating losses of WOS and SDS, as informed to us, losses were 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.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

In view of development in the settlement of legal dispute and based on the projections and considering that the investment made by the Company 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 30th June 2017.

In respect of matter covered in 5(a), attention was drawn in our report for 4 quarters of financial year 2016-17 and in respect of matter covered in para 5(b), attention was drawn in our report for 4th quarter of financial year 2016-17. Matters covered in para 5(a) & (b) were reported under Emphasis of Matter paragraph in audit report issued by us under the Companies Act, 2013 for the year ended 31st March 2017.

Our conclusion is not modified in respect of above matters. Our conclusion / opinion was also not modified in respect of above matters in earlier quarters & previous financial year.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W/W100149

M. N. Mody



Milan Mody

Partner

Membership number: 103286

Place: Mumbai

Date:

21 AUG 2017