



Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

PML/SE/2017-18/42

12th February 2018

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/2017-18/39 dated 1st February, 2018 and pursuant to Regulation 33, 30 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 ;

1. The Unaudited Financial Results on Standalone basis for the quarter / nine months period ended 31st December 2017. A copy of the said results, notes thereto and Limited Review Report of the Auditors are enclosed for your records.
2. Resignation tendered by Ms. Suchita Singh as the Company Secretary and Compliance Officer of the Company w.e.f. the closing of the working hours on 21st February, 2018. Accordingly, Ms. Suchita Singh ceases to be the Company Secretary, Compliance Officer and Key Managerial Personnel of the Company w.e.f. the closing of the working hours on 21st February, 2018.

The meetings of the Audit Committee / Board of Directors of the Company commenced at 11.00 am and concluded at 2.45 pm.

Please take the above information on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director

Encl : as above



Statement of unaudited standalone financial results for the Quarter and Nine Months ended 31st December 2017

(Rs. in lakhs)

Sr. No.	Particulars	Standalone					
		Quarter ended			Year to date		Year Ended
		31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Total Income from operations	3,506	3,629	3,211	10,249	9,058	12,573
2	Other income	83	54	22	199	113	164
	(A) Total Revenue (1+2)	3,589	3,683	3,233	10,448	9,171	12,737
3	Expenses						
(a)	Cost of materials consumed	1,710	1,598	1,460	4,673	3,974	5,381
(b)	Purchases of stock-in-trade	-	-	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(194)	147	(106)	(52)	(159)	(88)
(d)	Excise duty	-	-	100	91	297	419
(e)	Employee benefits expense	472	437	409	1,342	1,215	1,590
(f)	Finance costs	103	179	163	430	519	550
(g)	Depreciation and amortisation expense	105	103	108	307	322	432
(h)	Manufacturing expenses	747	695	719	2,099	1,975	2,800
(i)	Other expenses	227	261	226	732	622	874
	(B) Total Expenses	3,170	3,420	3,079	9,622	8,765	11,958
4	Profit before exceptional items and tax (A-B)	419	263	154	826	406	779
5	Less: Exceptional items	-	-	-	-	-	-
6	Profit / (Loss) before tax (4-5)	419	263	154	826	406	779
7	Tax Expense						
	1. Current tax	(186)	(96)	(30)	(343)	(121)	(237)
	2. Deferred tax	78	8	(22)	99	(15)	(22)
	3. Income tax, deferred tax and MAT credit of earlier years (net)	(1)	-	27	(1)	28	(5)
8	Profit (Loss) for the period from continuing operations (6-7)	310	175	129	581	298	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)	310	175	129	581	298	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)	(29)	(27)	(36)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	3	3	10	9	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)	(19)	(18)	(24)
14	Total Comprehensive Income for the period (12+13) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	304	169	123	562	280	491
15	Paid-up equity share capital (Face value of Rs. 10/- per share)	1,726	1,726	1,726	1,726	1,726	1,726
16	Reserves excluding revaluation reserve (refer note 3 below)						2,693
17	Earnings per equity share of Rs. 10/- each (Not annualised)						
	(a) Basic	1.79	1.01	0.75	3.36	1.72	2.98
	(b) Diluted	1.79	1.01	0.75	3.36	1.72	2.98

SIGNED FOR IDENTIFICATION BY
N. A. Shah
N. A. SHAH ASSOCIATES LLP
MUMBAI



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Statement of unaudited standalone financial results for the Quarter and Nine Months ended 31st December 2017

- 2 The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 12th February 2018. Statutory auditors have carried out limited review in respect of financial results for quarter & nine months ended 31st December 2017.
- 3 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.

As per the exemptions given in SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016, financial results for quarter and nine months ended 31st December 2017, quarter ended 30th September 2017 and quarter and nine months ended 31st December 2016 and year ended 31st March 2017 including the reconciliation of profit for these quarters/nine months/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.

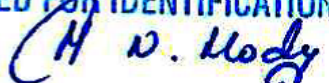
Reconciliation of net profit for the corresponding results and for the year ended March 2017 between Previous GAAP and Ind AS is as under:-

Particular	Quarter ended 31-Dec-2016	Nine months ended 31-Dec- 2016	Year ended 31- March-2017
	(Rs. in lakhs)		
Net Profit / (Loss) as per Previous GAAP	145	359	517
Actuarial (gain)/ loss on employee defined liability reclassified to OCI	9	27	36
Reversal of excess depreciation on dies capitalised	5	13	-
Depreciation on stand by equipments	(1)	(3)	(4)
Dies repairs expenses(prior quarters) as per previous GAAP reclassified in respective quarters of FY 2016-17	(33)	(99) *	-
Other prior period items (net) as per Previous GAAP reclassified in respective periods/opening reserves	(3)	(35)	(39)
Taxes on above	7	36 *	5
Net Profit / (Loss) before OCI as per Ind AS (A)	129	298	515
Less: (i) Items that will not be reclassified to profit or loss			
Actuarial gain/ (loss) on employee defined fund	(9)	(27)	(36)
Add: (ii) Income tax relating to items that will not be reclassified to profit or loss	3	9	12
Other comprehensive income (net of tax) (B)	(6)	(18)	(24)
Total Comprehensive Income / (loss) (A+B)	123	280	491

* includes adjustment for June 2016 of Rs.18.07 lakhs (net of tax).

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

Particular	As at 31st March 2017
	(Rs. in lakhs)
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

SIGNED FOR IDENTIFICATION BY

N. A. SHAH ASSOCIATES LLP
MUMBAI



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Statement of unaudited standalone financial results for the Quarter and Nine Months ended 31st December 2017

- 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 30th September 2017 Rs.Nil, for the quarter ended 31st December 2016 Rs.Nil lakhs, for the nine months ended 31st December 2017 Rs.Nil, for the nine months ended 31st December 2016 Rs.335.45 lakhs, for the year ended 31st March 2017 Rs.335.45 lakhs). During the current quarter, loan granted to WOS is Rs. Nil (for the quarter ended 30th September 2017 Rs. NIL, for the quarter ended 31st December 2016 Rs.Nil, for the nine months ended 31st December 2017 Rs. 225.19 lakhs, for the nine months ended 31st December 2016 Rs.Nil, for the year ended 31st March 2017 Rs. Nil).
- 5 In view of the settlement of dispute with the erstwhile JV Partner of the step-down subsidiary(SDS) of the Company in previous quarter, improved performance of the wholly owned subsidiary (WOS) and SDS in three quarters and revival of the demand for their products and considering that the investment made in WOS is of strategic nature, in the opinion of management, no provision for diminution in the value of investment in WOS and loan given is required as at 31st December 2017. The statutory auditors have drawn reference of the above matter in their report on the unaudited standalone financial results for the current quarter and reference was also drawn in their report in previous quarters and financial year 2016-17.
- 6 Revenue for periods reported upto 30th June 2017 are inclusive of excise duty. As per Ind AS 18 "Revenue", the revenue is reported net of GST after 30th June 2017. Accordingly, the revenue for the quarter and nine months ended 31st December 2017 are not comparable to the corresponding previous periods.
- 7 Export sales in standalone results include sales made to wholly owned subsidiary of the Company in USA as given below :

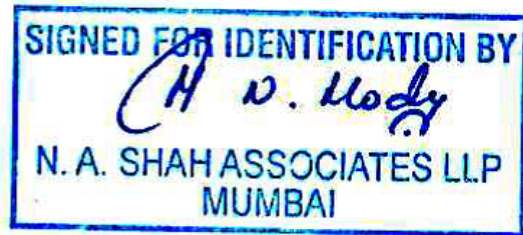
Particulars	Quarter ended			Year to date		Year Ended
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017
Pradeep Metals Limited Inc., USA	391	358	184	1,117	605	941

(Rs. in lakhs)

- 8 Other income includes foreign exchange gain as given below:

Particulars	Quarter ended			Year to date		Year Ended
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017
Foreign exchange gain (net)	75	47	13	179	87	120

(Rs. in lakhs)



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Statement of unaudited standalone financial results for the Quarter and Nine Months ended 31st December 2017

9 Segment disclosure:

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

(Rs. in lakhs)

Particulars	Standalone					
	Quarter ended		Year to date		Year ended	
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Mar-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Segment revenue						
(a) Closed die steel forging and processing	3,476	3,545	3,211	10,093	8,935	12,450
(b) Power generation	30	84	-	156	123	123
Total	3,506	3,629	3,211	10,249	9,058	12,573
Less: Intersegment revenue	-	-	-	-	-	-
Net sales / income from operations	3,506	3,629	3,211	10,249	9,058	12,573
Segment result						
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)						
(a) Closed die steel forging and processing	435	447	368	1,142	852	1,296
(b) Power generation	10	64	(14)	95	85	166
Total	445	511	354	1,237	937	1,462
Less:						
(i) Finance cost	103	179	163	430	519	550
(ii) Other un-allocable expenditure / (income)(net)	(77)	69	37	(19)	12	133
Profit before tax	419	263	154	826	406	779
Capital employed:						
Segment assets						
(a) Closed die steel forging and processing	12,780	12,354	11,420	12,780	11,420	11,748
(b) Power generation	1,286	1,519	1,583	1,286	1,583	1,653
(c) Unallocated	1,699	1,591	1,424	1,699	1,424	1,365
Total (A)	15,765	15,464	14,427	15,765	14,427	14,766
Segment liabilities						
(a) Closed die steel forging and processing	2,547	1,906	1,429	2,547	1,429	1,692
(b) Power generation	-	-	128	-	128	128
(c) Unallocated (Refer note (a) below)	8,236	8,881	8,448	8,236	8,448	8,526
Total (B)	10,783	10,787	10,005	10,783	10,005	10,346
Capital Employed (Segment Assets- Segment Liabilities) (A-B)						
(a) Closed die steel forging and processing	10,233	10,448	9,991	10,233	9,991	10,056
(b) Power generation	1,286	1,519	1,455	1,286	1,455	1,525
(c) Unallocated (Refer note (a) below)	(6,537)	(7,290)	(7,024)	(6,537)	(7,024)	(7,161)
Total	4,982	4,677	4,422	4,982	4,422	4,420

Note (a) : it includes government grant received of Rs. 214.00 lakhs pending allocation to Profit & Loss account.



for Pradeep Metals Limited

Pradeep Goyal
 Pradeep Goyal
 Chairman and Managing Director
 DIN: 00008370

Mumbai
 12th February 2018

Limited Review Report on unaudited standalone financial results for the quarter and nine months ended 31st December 2017 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 and nine months ended on 31st December 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 5 of the notes to the financial results. We are informed that in view of settlement of legal dispute in step down subsidiary (SDS) of wholly owned subsidiary (WOS), improved operational performance of WOS and SDS during the nine months of current financial year and management's expectation of further revival in the demand for the products in which WOS and SDS are dealing, it would enable to recoup the accumulated losses WOS and SDS. Considering the above and based on management opinion, no provision for loan granted and diminution in the value of investment in WOS is required.

In respect of matter covered in above para, attention was drawn in our report for 4th quarter of financial year 2016-17 and two quarters of financial year 2017-18. Matter covered in above para was also 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. 116560WW100149

M. V. Mody



Milan Mody
Partner
Membership number: 103286
Place: Mumbai
Date: **12 FEB 2018**