

Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

PML/SE/2018-19/18

14th August, 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/2018-19/16 dated 7th August, 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 the Unaudited Financial Results on Standalone basis for the quarter ended 30th June, 2018. 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 5:15 pm and concluded at 7:00 pm.

Please take the above information on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited

Harshad
Babade

Digitally signed by Harshad Babade
DN: cn=Harshad Babade, o=Pradeep Metals Limited, email=harshad@pradeepmetals.com, c=IN
Reason: I am the author of this document
Date: 2018.08.13 08:44:03.00



Harshad Babade
Company Secretary
A51159

Encl: as above

Independent Auditor's Limited Review Report

To
The Board of Directors of
Pradeep Metals Limited

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

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 2018, 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 of the Statement in accordance with the 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 (as amended), 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. We are informed that in view of settlement of legal dispute in subsidiary of WOS [step down subsidiary (SDS)] in previous year, improved operational performance of WOS and SDS during the current quarter 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 of WOS and SDS.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Considering the above and based on management opinion, no provision for loan granted and diminution in the value of investment in WOS is required.

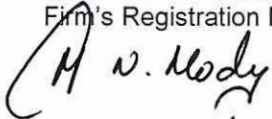
In respect of the above matter, attention was drawn in our report for all the quarters of previous year. The above matter was reported under Emphasis of Matter paragraph in audit report issued by us under the Companies Act, 2013 for the year ended 31st March 2018.

Our conclusion is not modified in respect of the above matter. Our conclusion / opinion was also not modified in respect of the above matter in all the quarters of previous year and year end.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560WW100149



Milan Mody

Partner

Membership number: 103286

Place: Mumbai

Date: 14th August, 2018



Statement of unaudited standalone financial results for the quarter ended 30th June 2018

(Rs. in lakhs)

Sr. No.	Particulars	Standalone			
		Quarter ended		30-Jun-2017	31-Mar-2018
		30-Jun-2018	31-Mar-2018		
		Unaudited	Unaudited (Refer note 8)	Unaudited	Audited
1	Income from operations	3,727	4,038	3,110	14,281
2	Other income	18	65	62	270
	Total Income (1+2) (A)	3,745	4,103	3,172	14,551
3	Expenses				
(a)	Cost of materials consumed	1,787	1,861	1,365	6,534
(b)	Purchases of stock-in-trade	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(227)	(97)	(5)	(149)
(d)	Excise duty	-	-	91	91
(e)	Employee benefits expenses	486	429	433	1,770
(f)	Finance costs	180	191	148	621
(g)	Depreciation and amortisation expenses	109	108	99	416
(h)	Manufacturing expenses	799	818	656	2,917
(i)	Other expenses	428	446	240	1,178
	Total Expenses (B)	3,562	3,756	3,028	13,378
4	Profit before exceptional items and tax (A-B)	183	347	144	1,173
5	Less: Exceptional items	-	-	-	-
6	Profit / (Loss) before tax (4-5)	183	347	144	1,173
7	Tax Expense				
	1. Current tax	(56)	(81)	(61)	(423)
	2. Deferred tax	3	(19)	-	79
8	3. Income tax, deferred tax and MAT credit of earlier years (net)	(0)	(8)	12	(9)
9	Profit / (Loss) for the period from continuing operations (6-7)	130	239	95	819
10	Profit / (Loss) from discontinuing operations	-	-	-	-
11	Tax expense of discontinuing operations (after tax) (9-10)	-	-	-	-
12	Profit / (Loss) for the period (8+11)	130	239	95	819
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	(3)	17	(10)	(12)
	Income tax relating to items that will not be reclassified to profit or loss	1	(6)	3	4
	B (i) Items that will be reclassified to profit or loss	-	-	-	-
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total of Other Comprehensive Income	(2)	11	(7)	(8)
14	Total Comprehensive Income for the period (12+13) (Comprising Profit / (Loss) and Other Comprehensive Income for the period)	128	250	88	811
15	Paid-up equity share capital (Face value of Rs. 10/- per share)	1,727	1,727	1,726	1,727
16	Reserves excluding revaluation reserve	0.75	1.38	0.55	3,505
17	Earnings per equity share of Rs. 10/- each (Not annualised)	0.75	1.38	0.55	4.74
	(a) Basic (in Rs.)				
	(b) Diluted (in Rs.)				

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 N. A. SHAH ASSOCIATES, LLP
 MUMBAI

Notes to standalone financial results:

- The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 14th August 2018. Statutory auditors have carried out limited review in respect of financial results for quarter ended 30th June 2018.
- The above results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013 including Ind AS 115 'Revenue from Contracts with Customers' effective from 1st April 2018. The figures for the previous period have been regrouped and reclassified wherever required to comply with the requirements of Ind AS and current period presentation.

- During the current quarter, loan granted to WOS is Rs. Nil (for the quarter ended 31st March 2018 Rs. Nil, for the quarter ended 30th June 2017 Rs.225 lakhs, for the year ended 31st March 2018 Rs. 225 lakhs). During the current quarter, corporate guarantee given for loan taken by WOS is Rs. Nil (for the quarter ended 31st March 2018 Rs. Nil, for the quarter ended 30th June 2017 Rs. Nil, for the year ended 31st March 2018 Rs. 783 lakhs).

- In view of the settlement of dispute with the erstwhile JV Partner of the step-down subsidiary (SDS) of the Company during the quarter ended 30th September 2017, improved performance of the wholly owned subsidiary (WOS) and wholly owned step down subsidiary (SDS) 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 30th June 2018 in standalone financial results. The statutory auditors have drawn reference of the above matter in their report on the standalone financial results for the current quarter and reference was also drawn in their report of quarters of previous year and year ended 31st March 2018.

- Revenue from operations for the period reported upto 30th June 2017 were inclusive of excise duty, which was discontinued effective 1st July 2017 on implementation of Goods & Service Tax ('GST') in India. As per Ind AS, the revenue is reported net of GST after 30th June 2017. Accordingly, the revenue from operations for the quarter ended 30th June 2018 and 31st March 2018 are not comparable to the quarter ended 30th June 2017.

- Export sales in standalone financial results include sales made to wholly owned subsidiary of the Company in USA as given below :

Particulars	Quarter ended			Year ended
	30-Jun-2018	31-Mar-2018	30-Jun-2017	31-Mar-2018
Pradeep Metals Limited Inc, USA	745	805	369	1,924

(Rs. in lakhs)

- Foreign exchange loss / (gain) included in other income, other expenses and finance cost is given below:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	30-Jun-2018	31-Mar-2018	30-Jun-2017	31-Mar-2018
Other Income	-	(35)	(58)	(214)
Other Expenses	71	-	-	-
Finance cost - Foreign exchange loss (attributable to finance cost)	38	62	-	62

- The figures of quarter ended 31st March 2018 were the balancing figures between audited figures in respect of the full financial year ended 31st March 2018 and published year to date figures upto quarter ended 31st December 2017 which was subjected to limited review.

- In the quarter ended 30th June 2018, the Company has not declared any dividend (in quarter ended 31st March 2018 Rs. Nil, quarter ended 30th June 2017 Rs. Nil and year ended 31st March 2018 Rs. Nil)

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 N. A. SHAH ASSOCIATES LLP

10 Notes to financial results (continued):

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

Particulars	Standalone				Year ended 31-Mar-2018 Audited
	30-Jun-2018 Unaudited	31-Mar-2018 Unaudited	30-Jun-2017 Unaudited	31-Mar-2017 Audited	
Segment revenue					
(a) Closed die steel forging and processing	3,669	4,011	3,068	14,099	
(b) Power generation	58	27	42	182	
Total	3,727	4,038	3,110	14,281	
Less: Intersegment revenue	-	-	-	-	
Net sales / Income from operations	3,727	4,038	3,110	14,281	
Segment result					
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)					
(a) Closed die steel forging and processing	590	655	260	1,803	
(b) Power generation	21	7	22	102	
Total	611	662	282	1,905	
Less:					
(i) Finance cost	180	191	148	621	
(ii) Other un-allocable expenditure / (income)(net)	248	124	(10)	111	
Profit before tax	183	347	144	1,173	
Capital employed:					
Segment assets					
(a) Closed die steel forging and processing	13,565	13,044	12,241	13,044	
(b) Power generation	1,309	1,261	1,691	1,261	
(c) Unallocated	1,204	1,218	1,259	1,218	
Total (A)	16,098	15,523	15,191	15,523	
Segment liabilities					
(a) Closed die steel forging and processing	2,207	2,122	1,343	2,122	
(b) Power generation	33	23	138	23	
(c) Unallocated*	8,499	8,146	9,201	8,146	
Total (B)	10,739	10,291	10,682	10,291	
Capital Employed (Segment Assets- Segment Liabilities) (A-B)					
(a) Closed die steel forging and processing	11,378	10,922	10,898	10,922	
(b) Power generation	1,276	1,238	1,553	1,238	
(c) Unallocated	(7,295)	(6,928)	(7,942)	(6,928)	
Total	5,359	5,232	4,509	5,232	

*Note: It includes government grant received of Rs. 214 lakhs pending allocation to Profit & Loss account.

Business segment:
 Based on the "management approach" as defined in IND AS 108 - Operating Segments, the Chief Operating decision maker evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

SIGNED
 AUTHORIZATION BY

 N. A. SHAH ASSOCIATES LLP
 MUMBAI

for Pradeep Metals Limited
 Pradeep Goyal
 Chairman and Managing Director
 DIN: 00008370
 Mumbai
 14th August 2018

