



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

PML/SE/2016-17/24

8th November, 2016

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

Dear Sir / Madam,

Sub: Outcome of Meeting of Board of Directors.

Scrip Code: 513532

This is in continuation to our letter bearing ref. no. PML/SE/2016-17/23 dated 29th October, 2016 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 state that the Board of Directors of the Company in its meeting held today, has considered and approved the following:

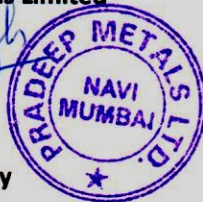
1. The Unaudited Standalone Financial Results for the quarter / half year ended 30th September, 2016 along with the Limited Review Report thereon (copy attached);
2. appointment of Mr. Rakesh Agarwal as the Chief Financial Officer and Key Managerial Personnel of the Company with immediate effect pursuant to the Listing Regulations and the Companies Act, 2013.

Please take the above information on record.

Thanking you,

Yours Truly,
For Pradeep Metals Limited


Suchita Singh
Company Secretary
M. No.A43837



Encl.: as above

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 : pradeepmetals.com

Pradeep Metals Limited
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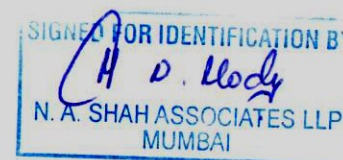
Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2016

(Rs. in lakhs)

Sr. No.	Particulars	Standalone					
		Quarter ended			Year To Date		Year Ended
		30-Sep-2016	30-Jun-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015	31-Mar-2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
(a)	Net sales/income from operations (Net of excise duty)	2,766	2,259	2,769	5,025	5,191	10,637
	Domestic	827	782	898	1,609	1,693	3,284
	Exports	1,939	1,477	1,871	3,416	3,499	7,353
(b)	Other operating income	341	286	336	627	646	1,272
	Total Income from Operations (net)	3,107	2,545	3,105	5,652	5,837	11,909
2	Expenses						
(a)	Cost of materials consumed	1,474	1,084	1,500	2,558	2,886	5,407
(b)	Purchases of stock-in-trade	-	-	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(50)	(4)	(119)	(53)	(320)	216
(d)	Employee benefits expense	425	406	436	831	811	1,584
(e)	Depreciation and amortisation expense (Refer note 8)	137	83	84	221	155	370
(f)	Manufacturing expenses	568	577	667	1,145	1,228	2,496
(g)	Other expenses (Refer note 8)	212	155	213	367	404	822
	Total Expenses	2,766	2,302	2,781	5,068	5,165	10,895
3	Profit / (Loss) from operations before other income, finance costs and exceptional	341	243	324	584	672	1,014
4	Other income	55	36	39	91	65	175
5	Profit/ (Loss) from ordinary activities before finance costs, exceptional items and	396	279	363	675	737	1,189
6	Finance costs	171	178	186	349	355	676
7	Profit/ (Loss) from ordinary activities after finance cost but before exceptional	225	101	177	326	382	513
8	Exceptional items	-	-	-	-	-	-
9	Profit/ (Loss) from ordinary activities before tax (7-8)	225	101	177	326	382	513
10	Tax Expense	76	36	60	111	113	138
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	149	65	117	215	269	375
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13	Net profit (11-12)	149	65	117	215	269	375
14	Paid-up equity share Capital (Face Value of Rs. 10/- per Share)	1,726	1,726	1,726	1,726	1,726	1,726
15	Reserve excluding Revaluation Reserves						2,212
16	Earnings per share of Rs. 10/- (before and after extraordinary items)						
	(Not annualised):						
	(a) Basic	0.87	0.37	0.68	1.24	1.56	2.17
	(b) Diluted	0.87	0.37	0.68	1.24	1.56	2.17



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Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2016 (Continued)

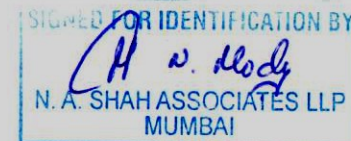
Notes to Unaudited Financial Results:

1 Standalone Statement of Assets and Liabilities:

Particulars	(Rs. in lakhs)	
	As at 30th September 2016	As at 31st March 2016
Shareholder's funds		
Share capital	1,726	1,726
Reserves and surplus	2,426	2,212
Sub total - Shareholders' funds	4,153	3,938
Non-current liabilities		
Long term borrowings	1,600	1,179
Deferred tax liabilities (Net)	411	413
Long term provisions	165	168
Sub total - Non-current liabilities	2,176	1,760
Current liabilities		
Short-term borrowings	5,700	5,754
Trade payable		
- Due to micro and small enterprises		
- Due other than to micro and small enterprises	782	556
Other current liabilities	1,089	846
Short-term provisions	175	97
Sub total - Current liabilities	7,745	7,253
Total	14,074	12,952
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	4,581	3,624
Intangible assets	65	68
Goodwill arising on consolidation	-	-
Capital Work-in-Progress	561	253
Intangible assets under development	-	-
Non-current investments	879	544
Long term loans and advances	687	742
Other non-current assets	1	1
Sub total - Current liabilities	6,774	5,232
Current assets		
Inventories	2,389	3,006
Trade receivable	3,470	3,455
Cash and bank balances	41	49
Short-term loans and advances	180	198
Other current assets	1,219	1,011
	7,300	7,720
	14,074	12,952



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Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2016 (Continued)

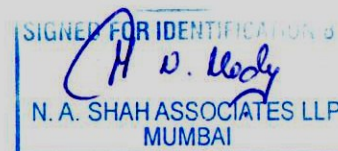
Notes :

- 2 The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 8th November 2016. The statutory auditors have carried out a limited review of above results.
- 3 Other operating income (Sr.no. 1(b)) includes revenue of Rs. 53 lakhs for the current quarter (Refer note 12 for previous periods amount) from supply of power generated from windmill to Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). Pending execution of Power Purchase Agreement ('PPA'), revenue has been recognised based on the provisional rate as prescribed in the Order of Maharashtra Electricity Regulatory Commission ('MERC') and in view of Management, no uncertainty exist for the amount recorded as receivable from sale of power of Rs. 343 lakhs for the period upto 30th September 2016. The statutory auditor has also drawn reference of this matter in their limited review report on the unaudited standalone financial results for the quarter ended 30th June 2016 and quarter and half year ended 30th September 2016.
- 4 During the current quarter, investment of Rs. 335 lakhs is made in wholly owned subsidiary i.e. Pradeep Metals Limited Inc., USA ('WOS') (for the quarter ended 30th June 2016 Rs. Nil, for the quarter ended 30th September 2015 Rs. Nil, for the six month ended 30th September 2016 Rs. 335 lakhs, for the six month ended 30th September 2015 Rs. 174 lakhs and for year ended 31st March 2016 Rs. 276 lakhs).
- 5 A dispute had arisen between WOS and the partner holding 49% share in step down subsidiary (51% share is held by Company's WOS). The WOS is taking suitable steps in order to protect its interest in the step-down subsidiary. In view of the Management, presently no accounting effect needs to be given in this regard. The statutory auditor has also drawn reference of this matter in their limited review report on the unaudited standalone financial results for the quarter ended 30th June 2016 and quarter and half year ended 30th September 2016.
- 6 During the quarter ended 30th June 2015, the Company had received demand notices from Navi Mumbai Municipal Corporation towards additional cess liability of Rs.72 lakhs (excluding interest and penalty) for the period 1998 to 2013. The Company has contested this demand. As per Management's estimate, the Company made provision of Rs. 26 lakhs in the quarter ended 30th September 2015 and had paid Rs. 11 lakhs out of this provision. During the current quarter, there is no development in this matter.
- 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 To Date		(Rs. in lakhs)
	30-Sep-2016	30-Jun-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015	Year ended 31-Mar-2016
Pradeep Metals Limited Inc., USA	265	156	223	421	431	706



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Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2016 (Continued)

8 Prior period items:

Particulars	Quarter ended			Year To Date		(Rs. in lakhs)
	30-Sep-2016	30-Jun-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015	Year ended 31-Mar-2016
Depreciation change / (reversal)	-	(39)	-	(39)	-	-
Other expenses (net)	4	9	38	13	38	20

9 Other income include foreign exchange gain as given below:

Particulars	Quarter ended			Year To Date		(Rs. in lakhs)
	30-Sep-2016	30-Jun-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015	Year ended 31-Mar-2016
Foreign exchange gain	46	28	20	74	37	131

10 Company has recognized export incentive under Merchandise Exports from India Scheme (MEIS) for quarter ended 30th September 2016 of Rs.33 lakhs considering certainty over utilization of the licenses (for quarter ended 30th June 2016 Rs. 29 lakhs, for the quarter ended for year ended 30th September 2015 Rs. Nil, for the six month ended 30th September 2016 Rs. 62 lakhs, for the six month ended 30th September 2015 Rs. Nil lakhs, for the year ended 31st March 2016 Rs. 130 lakhs).

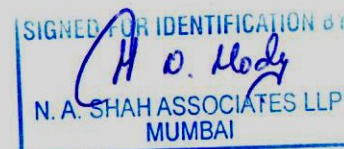
11 During the current quarter, the Company has reclassified dies from inventories to fixed assets in accordance with revised Accounting Standard 10 - "Property, Plant and Equipment" which is applicable from financial year 2016-17. Accordingly, opening inventory of Rs.989 lakhs, has been transferred to fixed assets. Further, subsequent additional expenditure which is incurred during the period on such dies of Rs.90 lakhs (net of recovery from customer), which hitherto was being charged to Statement of Profit & Loss have been capitalised as it has future benefit. Consequent to the this change, the profit after tax for the quarter and six months ended 30th September 2016 is higher by Rs. 24 lakhs.

12 Segment disclosure:

The Company is primarily engaged in manufacturing of closed die steel forgings & processing. During the previous year, the Company had started generating & supplied power generated from wind turbine generator to Maharashtra State Electricity Distribution Company Limited (MSEDCL). However, pending execution of power purchase agreement with MSEDCL, wind mill operation is disclosed as other reconciling item.



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Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2016 (Continued)

(Rs. in lakhs)

Particulars	Standalone					
	Quarter ended			Year To Date		Year ended
	30-Sep-2016	30-Jun-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015	31-Mar-2016
	Unaudited	Unaudited	Unaudited			Audited
Segment revenue						
(a) Closed die steel forging and processing	3,054	2,471	3,019	5,525	5,700	11,693
(b) Others	53	74	86	127	137	216
Total	3,107	2,545	3,105	5,652	5,837	11,909
Less: Intersegment revenue	-	-	-	-	-	-
Net sales / income from operations	3,107	2,545	3,105	5,652	5,837	11,909
Segment result						
Profit / (loss) before tax, finance cost from segment and other unallocable						
(a) Closed die steel forging and processing	388	225	352	613	682	1,148
(b) Others	39	60	71	99	108	160
Total	427	285	424	712	791	1,307
Less:						
(i) Finance cost	171	178	186	349	355	676
(ii) Other un-allocable expenditure / (income)(net)	31	6	60	37	53	118
Profit before tax	225	101	177	326	382	513
Capital employed						
Segment assets						
(a) Closed die steel forging and processing	11,196	10,241	10,995	11,196	10,995	10,495
(b) Others	1,596	1,557	1,459	1,596	1,459	1,497
(c) Unallocated	1,282	956	998	1,282	998	960
Total (A)	14,074	12,754	13,452	14,074	13,452	12,952
Segment liabilities						
(a) Closed die steel forging and processing	2,465	2,185	2,672	2,465	2,672	2,478
(b) Others	965	979	1,001	965	1,001	963
(c) Unallocated	6,491	5,586	5,806	6,491	5,806	5,572
Total (B)	9,921	8,751	9,479	9,921	9,479	9,013
Capital Employed (Segment Assets- Segment Liabilities) (A-B)						
(a) Closed die steel forging and processing	8,730	8,055	8,324	8,730	8,324	8,017
(b) Others	631	578	457	631	457	534
(c) Unallocated	(5,209)	(4,630)	(4,808)	(5,209)	(4,808)	(4,612)
Total	4,153	4,003	3,973	4,153	3,973	3,938

13 The Company has appointed new Chief Financial Officer in accordance with second proviso to section 203 of the Companies Act, 2013 in the meeting of Board held on 8th November 2016.

14 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).

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

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

for Pradeep Metals Limited
Pradeep Goyal
Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Mumbai
08th November 2016



Independent Auditor's Report

To
The Board of Directors of
Pradeep Metals Limited

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

We have reviewed the accompanying statement of unaudited standalone financial results of **Pradeep Metals Limited ('the Company')** for the quarter and half year ended 30th September, 2016 ('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 for the statement

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial results based on our review of such interim standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 - "Interim Financial Reporting" (AS - 25), in accordance with the Accounting Standard notified under the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

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 financial 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Opinion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with recognition and measurement principle laid down in AS-25 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.

Emphasis of Matter

1. Reference is invited to note 3 of the notes to the statement of unaudited financial results in respect of recognition of revenue of Rs. 53.15 lacs in current quarter [for the period upto 30th September 2016 Rs. 343.29 lacs, (including previous quarter and previous year)] from sale of power generated from windmill to Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). Pending execution of power purchase agreement ('PPA'), revenue has been recognised based on the provisional rate as prescribed in the Order of Maharashtra Electricity Regulatory Commission ('MERC') and in view of management, no uncertainty exist for the amount recorded as receivable from sale of power.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's Report (continued)

2. Reference is invited to note 5 of the notes to the statement of unaudited standalone financial results in respect of dispute between wholly owned subsidiary (WOS) of the Company and the partner in step down subsidiary in USA. In the opinion of the management, considering the steps taken by WOS, no accounting effect needs to be given in this regard in current quarter.
3. Reference is invited to note 11 of the notes to the statement of unaudited standalone financial results in respect of reclassification dies from inventories to fixed assets in accordance with revised Accounting Standard 10 - 'Property, Plant and Equipment'. Accordingly, opening inventory of Rs.989.20 lakhs, has been transferred to fixed assets. Further, subsequent additional expenditure which is incurred during the period on such dies of Rs.90.13 lakhs (net of recovery from customer), which hitherto was being charged to Statement of Profit & Loss have been capitalised as it has future benefit. Due to this change, net profit after tax for the quarter and six months ended 30th September 2016 is higher by Rs.23.70 lakhs.

In respect of matter covered in para 1 above, attention was also drawn in our report for quarter ended 30th June 2016, 31st March 2016 and it was reported under Emphasis of Matter paragraph in independent auditors report issued by us under the Companies Act, 2013 for the year ended 31st March 2016.

In respect of matter covered in para 2 above, attention was also drawn in our report for quarter ended 30th June 2016.

Our opinion is not modified in respect of above matters.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149

M. N. Mody

Milan Mody

Partner

Membership number: 103286



Place: Mumbai

Date: 8 NOV 2016