



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

PML/SE/2017-18/35

10th November, 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/2017-18/34 dated 2nd November, 2017 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. Appointment of Mr. Kartick Maheshwari (DIN: 0007969734) as an Additional Director (Non-Executive and Independent) on the Board of the Company with effect from 10th November, 2017, who shall hold office upto the date of the ensuing General Meeting of the Company. A brief profile of Mr. Maheshwari is enclosed;
2. The Unaudited Financial Results on Standalone basis for the quarter / half year ended 30th September, 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 10:00 am and concluded at 1:40 pm.

Please take the above information on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited

Suchita Singh
Suchita Singh
Company Secretary
& Compliance Officer

Rakesh Agarwal
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: 10th November, 2017.
2. Term of Appointment: From 10th November, 2017 till 9th November, 2022 (including his tenure as an Additional Director), subject to approval of shareholders at the ensuing General Meeting.
3. Brief Profile: Mr. Kartick Maheshwari holds a degree in LLM from University of Pennsylvania Law School and has completed his LLB (Hons), from National Law School of India University, Bangalore. He is a Member of Bar Association of West Bengal. Mr. Maheshwari is a Partner at Khaitan & Co, and represents private equity firms, sovereign wealth funds and corporate strategic investors in a range of transactions in healthcare, real estate, financial services and consumer sectors. He brings with him a wealth of experience on strategic initiatives in listed companies – from an inorganic growth and governance perspective. The profile of Mr. Maheshwari 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.



Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2017

Particulars		Standalone						(Rs. in lakhs)
Sr. No.		Quarter ended		Year to date		Year Ended		
		30-Sep-2017 Unaudited	30-Jun-2017 Unaudited	30-Sep-2016 Unaudited	30-Sep-2017 Unaudited	30-Sep-2016 Unaudited	31-Mar-2017 Unaudited	
1	Total Income from operations	3,622	3,110	3,206	6,732	5,845	12,568	
2	Other income	66	63	55	129	91	164	
3	(A) Total Revenue (1+2)	3,688	3,173	3,261	6,861	5,936	12,732	
(a)	Expenses							
(b)	Cost of materials consumed	1,611	1,365	1,454	2,976	2,513	5,381	
(c)	Purchases of stock-in-trade	-	-	-	-	-	-	
(d)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	147	(5)	(50)	142	(53)	(88)	
(e)	Excise duty	-	91	101	91	197	419	
(f)	Employee benefits expense	453	433	412	886	806	1,590	
(g)	Finance costs	179	148	174	327	356	550	
(h)	Depreciation and amortisation expense	103	99	108	202	215	432	
(i)	Manufacturing expenses	679	656	625	1,335	1,256	2,800	
	Other expenses	253	242	209	496	394	869	
4	(B) Total Expenses	3,425	3,029	3,033	6,454	5,683	11,953	
5	Profit before exceptional and extra ordinary items and tax (A-B)	263	144	227	407	253	779	
6	Less: Exceptional items	-	-	-	-	-	-	
7	Profit / (Loss) before tax (4-5)	263	144	227	407	253	779	
	Tax Expense							
1. Current tax		(96)	(61)	(72)	(157)	(91)	(237)	
2. Deferred tax		8	12	(4)	20	7	(22)	
3. Income tax, deferred tax and MAT credit of earlier years (net)		-	-	-	-	-	(5)	
8	Profit (Loss) for the period from continuing operations (6-7)	176	94	151	271	169	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)	176	94	151	271	169	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	(10)	(9)	(9)	(19)	(18)	(36)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	3	3	6	6	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)	(13)	(12)	(24)	
14	Total Comprehensive Income for the period (12+13) (Comprising Profit (Loss) and	170	88	145	258	157	491	
	and							
	Other Comprehensive Income for the period)							
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	1.02	0.55	0.88	1.57	0.98	2.98	
	(b) Diluted	1.02	0.55	0.88	1.57	0.98	2.98	

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H. W. Hooley
N.A. SHAH ASSOCIATES' LLP
MUMBAI



Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2017
 Notes to unaudited standalone financial results for the quarter and half year ended 30th September 2017:
 1 Standalone/ Consolidated Statement of Assets and Liabilities

Particulars	(Rupees in lakhs)	
	As at 30th September 2017 (unaudited)	As at 31st March 2017 (unaudited)
ASSETS		
Non-current assets		
Property plant and equipment	4,528	4,342
Capital work-in-progress	369	587
Intangible assets	58	62
Intangible assets under development	198	107
Financial assets:		
Investments	879	879
Loans	228	-
Non current tax assets (net)	140	154
Other non-current assets	494	530
Current assets	6,894	6,661
Inventories	2,544	2,471
Financial assets		
Trade receivable	4,830	4,463
Cash and cash equivalent	158	189
Bank balances other than cash and cash equivalent	38	38
Loans	4	2
Other current assets	996	944
	8,570	8,106
TOTAL ASSETS	15,464	14,767
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,726	1,726
Other equity	2,950	2,693
	4,676	4,419
Liabilities		
Non-current liabilities		
Financial liabilities:		
Borrowings	1,496	1,463
Other financial liabilities:		
Provisions	119	82
Deferred tax liabilities (Net)	437	433
	2,052	1,978
Government grant pending apportionment to profit & loss	214	214
Current liabilities		
Financial liabilities:		
Borrowings	6,296	5,973
Trade payable	-	-
- Due to micro and small enterprises	828	856
- Due other than to micro and small enterprises	651	658
Other financial liabilities	544	489
Other current liabilities	203	179
Provisions	-	-
Current tax liabilities (net)	8,522	8,155
Total	15,464	14,767

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A. V. Wady
 N.A. SHAH ASSOCIATES LLP
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Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2017

2 The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 10th November 2017. Statutory auditors have carried out limited review in respect of financial results for quarter & half year ended 30th September 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. The restatement for June 2017 has resulted in profit after tax being Rs. 94 lakhs as compared to reported figure of Rs. 87 lakhs and EPS being revised to Rs. 0.55 per share from Rs. 0.51 per share.

As per the exemptions given in SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016, financial results for quarter and half year ended 30th September 2017, quarter ended 30th June 2017 and quarter and half year ended 30th September 2016 and year ended 31st March 2017 including the reconciliation of profit for these quarters/half year/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	Quarter ended 30-Sep-2016	Half year ended 30-Sep-2016	Year ended 31- March-2017
Net Profit / (Loss) as per Previous GAAP	149	215	517
Actuarial (gain)/ loss on employee defined liability reclassified to OCI	9	18	36
Depreciation on dies capitalised	30	8	-
Depreciation on stand by equipments	(1)	(2)	(4)
Dies repairs expenses (prior quarters) as per previous GAAP reclassified in respective quarters of FY 2016-17	(38)	(85)	-
Other prior period items (net) as per Previous GAAP reclassified in respective periods/opening reserves	1	(32)	(39)
Taxes on above	1	28	5
Net Profit / (Loss) before OCI as per Ind AS (A)	151	169	515
Other comprehensive income (net of tax) (B)	(6)	(12)	(24)
Total Comprehensive Income / (loss) (A+B)	145	157	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	(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

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 June 2017 Rs. Nil, for the quarter ended 30th September 2016 Rs. 335.45 lakhs, for the half year ended 30th September 2017 Rs. Nil, for the half year ended 30th June 2017 Rs. Nil, 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 June 2017 Rs. 225.19 lakhs, for the quarter ended 30th September 2016 Rs. Nil, for the half year ended 30th September 2017 Rs. 225.19 lakhs, for the year ended 31st March 2017 Rs. Nil).

5 In respect of dispute which had arisen between WOS and the erstwhile partner holding 49% share in step down subsidiary (SDS) (51% share was held by Company's WOS) in previous year, out of court settlement has been completed during the quarter and necessary documents/agreements have been signed by both the parties. Accordingly, WOS has acquired the 49% share from the erstwhile partner after payment of settlement amount as specified in the said agreement. Consequently SDS has now become 100% subsidiary of WOS retrospectively from 30th September 2016.

Further, in view of resolution in the settlement of dispute in SDS and improved performance in WOS and SDS in two quarters, 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 is required as at 30th September 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 their report in previous quarters and financial year 2016-17 also.

6 As GST has become applicable from 1st July, 2017, revenue from operations are disclosed net of GST in current quarter. Accordingly, revenue from operations for current quarter is not comparable with previous period's presented in results.

7 Export sales in Standalone results include sales made to wholly owned subsidiary of the Company in USA as given below:

Particulars	Quarter ended 30-Sep-2017	Quarter ended 30-Jun-2017	30-Sep-2016	30-Sep-2017	Year to date 30-Sep-2017	Year Ended 31-Mar-2017
Pradeep Metals Limited Inc., USA	359	369	265	727	421	941

8 Other income include foreign exchange gain as given below:

Particulars	Quarter ended 30-Sep-2017	Quarter ended 30-Jun-2017	Year to date 30-Sep-2017	Year to date 30-Sep-2017	Year Ended 31-Mar-2017



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Statement of unaudited standalone financial results for the quarter and half year ended 30th September 2017
9 Segment disclosure:

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

Particulars	Standalone						(Rs. in lakhs)	
	Quarter ended		Year to date		Year ended		31-Mar-2017	Unaudited
	30-Sep-2017	30-Jun-2017	30-Sep-2016	30-Sep-2016	30-Sep-2016	31-Mar-2017		
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
Segment revenue								
(a) Closed die steel forging and processing	3,538	3,068	3,155	6,606	5,722	12,446		
(b) Power generation	84	42	51	126	123	123		
Total	3,622	3,110	3,206	6,732	5,845	12,568		
Less: Intersegment revenue	-	-	-	-	-	-		
Net sales / income from operations	3,622	3,110	3,206	6,732	5,845	12,568		
Segment result								
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)								
(a) Closed die steel forging and processing	447	260	394	707	549	1,296		
(b) Power generation	64	22	39	85	97	166		
Total	511	282	433	792	646	1,462		
Less:								
(i) Finance cost	179	148	174	327	356	550		
(ii) Other un-allocable expenditure / (income)(net)	69	(10)	31	58	37	133		
Profit before tax	263	144	227	407	253	779		
Capital employed:								
Segment assets								
(a) Closed die steel forging and processing	12,362	12,048	11,185	12,362	11,185	11,748		
(b) Power generation	1,519	1,691	1,596	1,519	1,596	1,653		
(c) Unallocated	1,583	1,452	1,236	1,583	1,236	1,366		
Total (A)	15,464	15,191	14,017	15,464	14,017	14,767		
Segment liabilities								
(a) Closed die steel forging and processing	1,906	1,558	1,588	1,906	1,588	1,692		
(b) Power generation	-	138	128	-	128	128		
(c) Unallocated (Refer note (a) below)	8,882	8,987	8,146	8,882	8,146	8,526		
Total (B)	10,788	10,683	9,862	10,788	9,862	10,346		
Capital Employed (Segment Assets- Segment Liabilities) (A-B)								
(a) Closed die steel forging and processing	10,456	10,490	9,597	10,456	9,597	10,055		
(b) Power generation	1,519	1,553	1,469	1,519	1,469	1,526		
(c) Unallocated (Refer note (a) below)	(7,300)	(7,535)	(6,910)	(7,300)	(6,910)	(7,162)		
Total	4,676	4,508	4,155	4,676	4,155	4,419		

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

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

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N.A. Shah
N.A. SHAH ASSOCIATES LLP
MUMBAI



for Pradeep Metals Limited

Pradeep Goyal

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370
Mumbai

Limited Review Report on unaudited standalone financial results for the quarter and half year ended 30th September 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 half year ended on 30th September 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.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

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 first two quarters 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 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 first quarter 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. 116560W/W100149

Milan Mody

Partner

Membership number: 103286

Place: Mumbai

Date: 10 NOV 2017

