



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

10th August, 2019

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 dated 2nd August, 2019 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 and Consolidated basis for the quarter ended 30th June, 2019. 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 a.m. and concluded at 1.45 p.m.

Please take the above information on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited


Nivedita Nayak
Company Secretary
F8479



Encl: as above

Statement of unaudited standalone and consolidated financial results for the quarter ended 30th June 2019

Sr. No.	Particulars	Standalone			Year ended 31-Mar-2019 Audited	Consolidated			Year ended 31-Mar-2019 Audited	(Rs. in lakhs)
		Quarter ended		30-Jun-2019 Unaudited		Quarter ended		30-Jun-2018 Unaudited (Refer note 6(b))		
		30-Jun-2019 Unaudited	31-Mar-2019 Unaudited			30-Jun-2019 Unaudited	31-Mar-2019 Unaudited (Refer note 6(b))			
1	Income from operations	4,010	4,603	3,727	17,480	4,360	5,227	3,953	19,145	
2	Other income	66	50	18	130	60	48	11	107	
3	(A) Total Income (1+2)	4,076	4,653	3,745	17,610	4,420	5,275	3,963	19,251	
4	Expenses									
(a)	Cost of materials consumed	2,247	2,229	1,787	8,233	2,392	2,211	1,893	8,393	
(b)	Purchases of stock-in-trade	-	-	-	-	-	-	-	-	
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(414)	(30)	(227)	(161)	(435)	175	(565)	(185)	
(d)	Employee benefits expense	540	508	486	1,980	709	724	641	2,675	
(e)	Finance costs	148	158	180	693	180	191	209	821	
(f)	Depreciation and amortisation expense	123	113	109	444	186	159	158	626	
(g)	Manufacturing expenses	913	979	799	3,527	990	1,060	938	4,012	
(h)	Other expenses	293	284	428	1,216	351	376	491	1,493	
5	(B) Total Expenses	3,850	4,241	3,562	15,932	4,373	4,896	3,765	17,834	
6	Profit before exceptional items and tax (A-B)	226	412	183	1,678	47	379	199	1,418	
7	Less: Exceptional items	-	-	-	-	-	-	-	-	
8	Profit / (Loss) before tax (4-5)	226	412	183	1,678	47	379	199	1,418	
9	Tax Expense									
10	1. Current tax	(68)	(116)	(56)	(490)	(68)	(116)	(56)	(490)	
11	2. Deferred tax	1	(4)	3	(2)	1	(4)	3	(2)	
12	3. Income tax, deferred tax and MAT credit of earlier years (net)	21	(1)	(0)	8	21	(1)	(0)	8	
13	Profit (Loss) for the period from continuing operations (6-7)	180	291	130	1,194	1	258	145	934	
14	Profit (Loss) from discontinuing operations	-	-	-	-	-	-	-	-	
15	Tax expense of discontinuing operations	-	-	-	-	-	-	-	-	
16	Profit (Loss) from discontinuing operations (after tax) (9-10)	-	-	-	-	-	-	-	-	
17	Profit (Loss) for the period (8+11)	180	291	130	1,194	1	258	145	934	
18	Other Comprehensive Income (OCI)									
19	A (i) Items that will not be reclassified to profit or loss									
20	(i) Remeasurement gain/(loss) of net defined benefit liability	(10)	(28)	(3)	(39)	(10)	(28)	(3)	(39)	
21	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	8	1	11	3	8	1	11	
22	B (i) Items that will be reclassified to profit or loss									
23	(i) Exchange differences on translation of foreign operations	-	-	-	-	31	(15)	11	(123)	
24	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	
25	Total of Other Comprehensive Income	(7)	(20)	(2)	(28)	24	(35)	8	(151)	
26	Total Comprehensive Income for the period (12+13) (Comprising Profit (Loss) and Other Comprehensive Income for the period) attributable to:	173	271	128	1,166	25	223	153	783	
27	(a) To Owners of parent	-	-	-	-	25	223	153	783	
28	(b) To Non controlling interest	-	-	-	-	-	-	-	-	
29	Of the Total Comprehensive Income above, Profit for the period attributable to:									
30	(a) To Owners of parent	-	-	-	-	1	258	145	934	
31	(b) To Non controlling interest	-	-	-	-	-	-	-	-	
32	Of the Total Comprehensive Income above, Other comprehensive income attributable to:									
33	(a) To Owners of parent	-	-	-	-	24	(35)	8	(151)	
34	(b) To Non controlling interest	-	-	-	-	-	-	-	-	
35	Paid-up equity share capital (Face value of Rs. 10/- per share)	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	
36	Reserves excluding revaluation reserve	-	-	-	4,671	-	-	-	2,955	
37	Earnings per equity share of Rs. 10/- each (Not annualised)									
38	(a) Basic (in Rs.)	1.04	1.69	0.75	6.91	0.01	1.49	0.84	5.41	
39	(b) Diluted (in Rs.)	1.04	1.69	0.75	6.91	0.01	1.49	0.84	5.41	



SIGNED FOR IDENTIFICATION BY
Ch. N. Nedy
N.A. SHAH ASSOCIATES LLP
MUMBAI

Statement of unaudited standalone & consolidated financial results for the quarter ended 30th June 2019 (Continued)

Notes to financial results:
The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 10th August 2019. The Statutory auditors have carried out a limited review of the above unaudited standalone financial results for the quarter ended 30th June, 2019.

2 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. During the quarter, the Company has adopted Ind AS 116-Leases effective from 1st April, 2019 and this did not have any material impact on the financial results of the Company.

3 In view of expected revival in the demand for the products in which WOS and Step Down Subsidiary (SDS) are dealing 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 2019 in the unaudited standalone financial results. 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 for all quarters for the year ended 31st March 2019 and 31st March 2018. It was also reported under Emphasis of Matter paragraph in the Independent auditors report for the year ended 31st March 2019 and 31st March 2018.

4 Export sales in standalone results include sales made to WOS of the Company in USA as given below :

Particulars	(Rs. in lakhs)			
	Quarter ended		Year ended	
	30-Jun-2019	31-Mar-2019	30-Jun-2018	31-Mar-2019
Pradeep Metals Limited Inc., USA	720	701	745	2,846

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

Particulars	(Rs. in lakhs)					
	Standalone			Consolidated		
	Quarter ended		Year ended	Quarter ended		Year ended
	30-Jun-2019	31-Mar-2019	31-Mar-2019	30-Jun-2019	31-Mar-2019	31-Mar-2019
Other Income	34	22	46	34	22	46
Other Expenses	-	-	(71)	-	-	(71)
Finance cost - Foreign exchange loss (attributable to finance cost)	-	(2)	(81)	-	(2)	(81)

6 (a) Consolidated unaudited results are prepared in accordance with IND AS 110 'consolidated financial statements' and includes unaudited financial results in respect of :

- (i) Pradeep Metals Limited, Inc. (WOS)
- (ii) Dimensional Machine Works LLC (SDS), wholly owned subsidiary of WOS

The above unaudited financial results of WOS and SDS are prepared by the management in compliance with the requirement of Ind AS. Statutory auditors have carried out limited review of the unaudited standalone financial results of WOS and SDS for the quarter ended 30th June 2019.

(b) The consolidated figures for the corresponding quarter ended 30th June 2018 and for the quarter ended 31st March, 2019 are approved by the Board of Directors and have not been subjected to limited review by the auditors. The consolidated unaudited figures for the quarter ended 31st March 2019 are balancing figures between the audited figures in respect of the full financial year upto 31st March, 2019 and the unaudited year to date figures upto 31st December, 2018.

(c) In respect of Step Down Subsidiary (SDS),

(i) management is of the view that expected growth in the demand of the SDS's products will generate sufficient cash flows to cover the carrying value of the tangible assets and goodwill. In view of the above, in the opinion of the management, no provision for impairment loss of assets of SDS is considered necessary.

(ii) (a) Ageing of slow/non-moving items of inventories is not available from the system. Management is of the view that there is demand for the SDS's products and inventories have realizable value greater than cost and hence no provision is considered necessary by the management. (b) Further there is a need to improve the systems and processes of maintaining the inventory records.

Statutory auditors have drawn reference of the above matters in their limited review report on the unaudited consolidated financial results for the quarter ended 30th June 2019. Reference for matters covered in note 6(c) (i) and 6(c) (ii) (a) was also given in their report on the consolidated financial statements for the year ended 31st March 2019.

7 The Board of directors has recommended a final dividend of Re. 1 per equity share of Rs. 10/- each for financial year 2018-19 in the board meeting held on 15th May 2019. The payment is subject to approval of shareholders at the Annual general meeting of the Company (in quarter ended 30th June 2018 Rs. Nil, quarter and year ended 31st March 2019 Rs. Nil)



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	Stand-alone			Consolidated		
	Quarter ended		Year ended 31-Mar-2019 Audited	Quarter ended		Year ended 31-Mar-2019 Audited
	30-Jun-2019 Unaudited	31-Mar-2019 Unaudited		30-Jun-2019 Unaudited	31-Mar-2019 Unaudited (Refer note 6(b))	
Segment revenue						
(a) Closed die steel forging and processing	3,946	4,578	17,264	4,296	5,202	3,895
(b) Power generation	64	25	216	64	25	58
Total	4,010	4,603	17,480	4,360	5,227	3,953
Less: Intersegment revenue	-	-	-	-	-	-
Net sales / Income from operations	4,010	4,603	17,480	4,360	5,227	3,953
Segment result						
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)						
(a) Closed die steel forging and processing	300	556	2,299	161	548	494
(b) Power generation	43	5	118	44	21	118
Total	343	560	2,417	205	553	514
Less:						
(i) Finance cost	148	158	693	180	191	209
(ii) Other un-allocable expenditure / (income)/(net)	(31)	(10)	46	(22)	(17)	107
Profit before tax	226	412	1,678	47	379	199
Capital employed:						
Segment assets						
(a) Closed die steel forging and processing	15,549	15,232	15,232	16,688	16,206	14,980
(b) Power generation	1,224	1,197	1,197	1,224	1,197	1,286
(c) Unallocated	1,140	1,150	1,150	430	599	798
Total (A)	17,913	17,579	17,579	18,342	18,002	17,074
Segment liabilities						
(a) Closed die steel forging and processing	2,660	2,562	2,562	3,073	2,876	2,586
(b) Power generation	8,683	8,619	8,619	10,589	10,445	10,445
(c) Unallocated*	11,343	11,181	11,181	13,662	13,321	13,321
Total (B)						
Capital Employed (Segment Assets- Segment Liabilities) (A-B)						
(a) Closed die steel forging and processing	12,889	12,670	12,670	13,615	13,330	12,394
(b) Power generation	1,224	1,197	1,197	1,224	1,197	1,329
(c) Unallocated	(7,543)	(7,469)	(7,469)	(10,159)	(9,846)	(9,671)
Total	6,570	6,398	6,398	4,680	4,681	4,052

*Note: It includes government grant received of Rs. 214.00 lakhs pending appropriation to Statement of Profit & Loss

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.



for Pradeep Metals Limited

Pradeep Goyal

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370
Mumbai



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

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 30th June, 2019, 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) which has been initialed by us for identification purpose.

Management responsibility for the Statement

2. 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.

Auditor's responsibility

3. Our responsibility is to express a conclusion on the 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 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with recognition and measurement principles laid down in the applicable 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.



Emphasis of matter

5. Reference is invited to note 3 of the notes to unaudited financial results. We are informed that in view of management's expectation of further revival in the demand for the products in which WOS and SDS are dealing, it would enable WOS and SDS to recoup the accumulated losses. 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 above, attention was drawn by us in the quarterly limited review reports for the earlier years and in the independent auditors report for earlier years.

Our conclusion is not modified in respect of above matter. Our conclusion / opinion was also not modified in respect of above matter in earlier quarters and financial years.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W/W100149

M. V. Mody

Milan Mody

Partner

Membership number: 103286

UDIN: 19103286AAAA DW3546



Place: Mumbai

Date: 10 AUG 2019

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

To
The Board of Directors of
Pradeep Metals Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Pradeep Metals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter ended 30th June, 2019, ('the Statement'), being submitted by the Holding 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/CMDI/44/2019 dated 29th March, 2019.

Attention is drawn to the fact that in terms of the requirement of the above referred Circular, consolidated unaudited figures for the corresponding quarter ended 30th June, 2018 and quarter ended 31st March, 2019 have been approved by the Holding Company's Board of Directors, but have not been subject to limited review. Also refer note 6(b) of the Statement for the quarter ended 30th June, 2019.

Management's responsibility for the Statement

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

Auditor's responsibility

3. Our responsibility is to express a conclusion on the 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 provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
Pradeep Metals Limited, Inc., USA	Wholly Owned Subsidiary (WOS)
Dimensional Machine Works LLP, USA	Step Down Subsidiary (SDS)

5. Conclusion

Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, 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.



6. Emphasis of Matter

Reference is invited to note 6(c) of the Statement. In respect of SDS;

- a) Management is of the view that expected growth in the demand of the SDSs products will generate sufficient cash flows to cover the carrying value of the tangible assets and goodwill. In view of the above, in the opinion of the management, no provision for impairment loss of assets of SDS is considered necessary;
- b) (i) Ageing of slow/non-moving items of inventories is not available from the system. Management is of the view that there is demand for the SDS's products and inventories have realizable value greater than cost and hence no provision is considered necessary by the management. (ii) Further, there is a need to improve the systems and processes of maintaining the inventory records.

Our conclusion is not modified in respect of above matters. In respect of matters covered in para 6(a) and 6(b) (i), attention was also drawn by us in the independent auditor's report for the year ended 31st March, 2019 dated 15th May 2019. Our opinion was not modified in previous year also.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W/W100149

M. N. Mody

Milan Mody

Partner

Membership number: 103286

UDIN: 19103286 AAAAD X5304



Place: Mumbai

Date: 10 AUG 2019