Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

13th November, 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 1st November, 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 and half year ended 30th September, 2019. A copy of the said results, notes thereto, Limited Review Report of the Auditors and Cash Flow Statement is enclosed for your records.

The meetings of the Audit Committee / Board of Directors of the Company commenced at 4.00 p.m. and concluded at 7.10 p.m.

Please take the above information on record.

Thanking you,

Yours Truly,

For **Pradeep Metals Limited**

Nivedita Nayak

PRADEEP METALS LIMITED NEW BOMBAY

Nivedita Nayak
Company Secretary
F8479
Encl: as above

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CIN : L99999MH1982PLC026191 E-mail : info@pradeepmetals.com Website : www.pradeepmetals.com

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Statement of Standalone Unaudited and Consolidated Financial Results for the quarter and half year ended 30th September 2019

(Rs. in lakhs)

Sr. No.	Particulars	Standalone						Consolidated					
		Quarter ended			Half year ended		Year ended	Quarter ended			Half year ended		Year ended
		30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations	5,181	4,010	4,734	9,191	8,461	17,480	5,609	4,360	4,984	9,969	8,937	19,145
2	Other income	41	66	58	107	32	130	34	60	49	94	60	107
	(A) Total Income (1+2)	5,222	4,076	4,792	9,298	8,493	17,610	5,643	4,420	5,034	10,063	8,997	19,251
3	Expenses												
(a)	Cost of materials consumed	2,241	2,247	2,164	4,488	3,951	8,233	2,391	2,392	2,193	4,783	4,086	8,393
(b)	Purchases of stock-in-trade	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	208	(414)	18	(206)	(209)	(161)	132	(435)	(193)	(303)	(758)	(185)
(d)	Manufacturing expenses	984	913	882	1,897	1,681	3,527	1,070	990	1,016	2,060	1,954	4,012
(e)	Employee benefits expense	554	540	496	1,094	982	1,980	748	709	628	1,457	1,269	2,675
(f)	Finance costs	173	148	197	321	377	693	201	180	231	381	440	821
(g)	Depreciation and amortisation expense	128	123	110	251	219	444	191	186	158	377	316	626
(h)	Other expenses	315	293	309	608	692	1,216	355	351	382	706	873	1,493
	(B) Total Expenses	4,603	3,850	4,176	8,453	7,694	15,932	5,088	4,373	4,416	9,461	8,181	17,834
4	Profit before exceptional items and tax (A-B)	619	226	616	845	799	1,678	554	47	618	601	816	1,418
5	Less: Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-
6	Profit / (Loss) before tax (4-5)	619	226	616	845	799	1,678	554	47	618	601	816	1,418
7	Tax Expense												
	1. Current tax (Refer note 6)	(148)	(68)	(179)	(216)	(235)	(490)	(148)	(68)	(179)	(216)	(235)	(490)
	2. Deferred tax (Refer note 6)	61	1	(1)	62	2	(2)	61	1	(1)	62	2	(2)
	3. Income tax, deferred tax and MAT credit of earlier years (net)	-	21	9	21	9	8	-	21	9	21	9	8
8	Profit (Loss) for the period from continuing operations (6-7)	532	180	445	712	575	1,194	467	1	446	468	592	934
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)	532	180	445	712	575	1,194	467	1	446	468	592	934
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	(11)	(10)	(3)	(21)	(7)	(39)	(11)	(10)	(3)	(21)	(7)	(39)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	3	1	6	2	11	3	3	1	6	2	11
	B (i) Items that will be reclassified to profit or loss												
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	33	31	(159)	64	(148)	(123)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
	Total of Other Comprehensive Income	(8)	(7)	(2)	(15)	(5)	(28)	25	24	(161)	48	(153)	(151)
14	Total Comprehensive Income for the period (12+13) [Comprising Profit (Loss) and Other Comprehensive Income for the period] attributable to:	524	173	443	697	571	1,166	492	25	285	517	439	783
	(a) To Owners of parent	-	-	-	-	-	-	492	25	285	517	439	783
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
15	Of the Total Comprehensive Income above, Profit for the period attributable to:												
	(a) To Owners of parent	-	-	-	-	-	-	467	1	446	468	592	934
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
16	Of the Total Comprehensive Income above, Other comprehensive income attributable to:												
	(a) To Owners of parent	-	-	-	-	-	-	25	24	(161)	48	(153)	(151)
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
17	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	1,727	1,727	1,727	1,727
18	Other Equity (reserves excluding revaluation reserve)						4,671	-	-	-	-	-	2,955
19	Earnings per equity share of Rs. 10/- each (Not annualised)												
	(a) Basic (in Rs.)	3.08	1.04	2.58	4.12	3.33	6.91	2.70	0.01	2.59	2.71	3.43	5.41
	(b) Diluted (in Rs.)	3.08	1.04	2.58	4.12	3.33	6.91	2.70	0.01	2.59	2.71	3.43	5.41

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N. A. SHAH ASSOCIATES LLP
MUMBAI

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Statement of Standalone Unaudited and Consolidated Financial Results for the quarter and half year ended 30th September 2019 (Continued)
Notes to financial results:
1 **Standalone/ Consolidated Statement of Assets and Liabilities**

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	As at 30th Sep 2019 (Unaudited)	As at 31st March 2019 (Audited)	As at 30th Sep 2019 (Unaudited)	As at 31st March 2019 (Audited)
ASSETS				
Non-current assets				
Property plant and equipment	4,966	4,692	5,626	5,385
Right of use assets	108	-	256	-
Capital work-in-progress	475	659	475	658
Goodwill	-	-	525	518
Other Intangible assets	52	58	67	63
Intangible assets under development	474	432	474	432
Goodwill on consolidation	-	-	148	148
Investment in subsidiary	879	879	-	-
Financial assets:				
(i) Investments - Others*	0	0	0	0
(ii) Loans	177	173	-	-
iii) Other non-current financial assets	56	55	62	62
Income tax assets (net)	73	178	73	178
Other non-current assets	378	385	419	388
	7,638	7,511	8,125	7,832
Current assets				
Inventories	3,211	3,178	4,410	4,254
Financial assets				
(i) Trade receivable	6,369	5,908	4,963	4,526
(ii) Cash and cash equivalent	15	44	65	388
(iii) Bank balances other than cash and cash equivalent	31	32	31	32
(iv) Loans	9	8	9	10
(v) Other current financial assets	640	631	655	674
Other current assets	261	267	264	286
	10,536	10,068	10,397	10,170
TOTAL ASSETS	18,174	17,579	18,522	18,002
EQUITY AND LIABILITIES				
Equity				
Equity share capital	1,727	1,727	1,727	1,727
Other equity	5,159	4,671	3,208	2,955
TOTAL EQUITY	6,886	6,398	4,935	4,682
Minority interest	-	-	-	-
LIABILITIES				
Non-current liabilities				
Financial liabilities:				
(i) Borrowings	1,280	1,508	2,567	3,022
(ii) Lease liabilities	84	-	160	-
Provisions	133	74	133	74
Deferred tax liabilities (Net of deferred tax asset & MAT credit)	411	461	411	461
	1,908	2,043	3,271	3,557
Government grant pending apportionment to statement of profit & loss	214	214	214	214
Current liabilities				
Financial liabilities:				
(i) Borrowings	5,349	5,524	5,349	5,524
(ii) Trade payable				
- Due to micro and small enterprises	29	36	29	36
- Due other than to micro and small enterprises	1,874	1,604	2,004	1,746
(iii) Lease liabilities	26	-	102	-
(iv) Other current financial liabilities	1,644	1,456	2,374	1,940
Other current liabilities	40	42	40	42
Provisions	204	202	204	201
Current tax liabilities (net)	-	60	-	60
	9,166	8,924	10,102	9,549
TOTAL LIABILITIES	11,288	11,181	13,587	13,320
TOTAL EQUITY & LIABILITIES	18,174	17,579	18,522	18,002

*represents 100 shares of TJSB Sahkari Bank Ltd of Rs. 0.05 lakh

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Notes to financial results (continued):

2 **Standalone and Consolidated Unaudited Cash Flow Statement for the half year ended 30th September 2019**

(Rs. in lakhs)

Particulars	Standalone				Consolidated			
	Half year ended 30th September 2019 (Unaudited)		Half year ended 30th September 2018 (Unaudited) (Refer note 2.1)		Half year ended 30th September 2019 (Unaudited)		Half year ended 30th September 2018 (Unaudited) (Refer note 2.1)	
A. CASH FLOW FROM OPERATING ACTIVITIES								
Net profit/(loss) before taxation		845		799		601		816
Adjustments for:								
Depreciation and amortization (net)	251		219		377		316	
Allowance for doubtful debts/ other current assets utilised (net)	0		1		0		1	
Allowance for contingency written back	-		(2)		-		(2)	
Unrealised foreign exchange (gain)/loss (net)	1		(115)		104		96	
(Profit)/loss on sale of fixed asset (net)	23		-		23		-	
Interest expenses	321		377		381		440	
Interest income	(28)		(15)		(22)		(7)	
		569		465		863		844
Operating profit before changes in assets and liabilities		1,414		1,264		1,464		1,661
Movements in working capital : [Current and Non-current]								
(Increase) / decrease in other assets and other financial assets	34		147		(20)		69	
(Increase) / decrease in inventories	(32)		(155)		(183)		(743)	
(Increase) / decrease in trade receivable	(369)		(1,209)		(346)		(882)	
Increase / (decrease) in trade payable, other liabilities, provisions and other financial	532	164	719	(498)	647	98	829	(726)
		1,578		766		1,562		934
Adjustment for:								
Direct taxes paid [including tax deducted at source](net of refund)		(132)		(186)		(132)		(186)
Net cash generated/ (used in) from operating activities...(A)		1,446		580		1,430		748
B. CASH FLOW FROM INVESTING ACTIVITIES								
Purchase of fixed assets (tangible / intangible) (Including capital advances and work in	(469)		(322)		(545)		(551)	
Sale of fixed asset	0		-		0		183	
(Increase)/decrease in other bank balances and non-current assets [Other than cash and	1		5		1		5	
Interest received	28		15		22		7	
	(439)		(301)		(522)		(356)	
Adjustment for:								
Less: Direct taxes paid [including tax deducted at source]	-		-		-		-	
Net cash generated / (used in) from investing activities...(B)		(439)		(301)		(522)		(356)
C. CASH FLOW FROM FINANCING ACTIVITIES								
Proceeds from long term borrowing	159		71		159		90	
Repayment of long term borrowing	(415)		(361)		(503)		(433)	
Repayment towards finance lease obligations	-		-		(12)		-	
Repayment of lease liabilities	(12)				(45)		-	
Increase/(decrease) in working capital loan (Net)	(235)		352		(235)		352	
Dividend paid (Including dividend distribution tax)	(208)		-		(208)		-	
Interest paid	(325)		(378)		(389)		(408)	
Net cash generated / (used) from financing activities...(C)		(1,035)		(316)		(1,232)		(399)
Net increase / (decrease) in cash and cash equivalents...(A + B + C)		(28)		(37)		(323)		(7)
Cash and cash equivalents at the beginning of the period	44		120		388		192	
Cash and cash equivalents at the end of the period	15		83		65		185	
Net increase / (decrease) in cash and cash equivalents		(28)		(37)		(323)		(7)

2.1 The figures for the half year ended 30th September 2018 are approved by the Board of Directors and have not been subjected to Limited review by the Statutory Auditors.

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Notes to financial results (continued):

3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 13th November 2019. The statutory auditors of the Company have carried out limited review of the unaudited standalone & consolidated financial results for the quarter and half year ended 30th September 2019.

4 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 ended June 2019, the Company had adopted Ind AS 116-Leases effective from 1st April, 2019 and this did not have any material impact on the unaudited standalone and consolidated financial results of the Company.

5 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 Sep 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 the quarter ended 30th June 2019, 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.

6 The Company has decided to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the six months ended 30th September 2019 and its deferred tax liabilities(net) on the basis of the rate prescribed in the said section. The net impact of this change amounting to Rs. 69.73 lakhs (reversal of current tax & deferred tax liabilities) has been recognized in the statement of Profit & Loss for quarter and half year ended 30th September 2019.

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

(Rs. in lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019
Pradeep Metals Limited Inc., USA	743	720	845	1,463	1,591	2,846
Dimensional Machine Works, LLC	20	-	-	20	-	-

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

(Rs. in lakhs)

Particulars	Standalone						Consolidated					
	Quarter ended			Half year ended		Year ended	Quarter ended			Half year ended		Year ended
	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019
Other Income	30	34	44	64	-	46	30	34	44	64	-	46
Other Expenses	-	-	-	-	(26)	-	-	-	-	-	(26)	-
Finance cost - Foreign exchange loss (attributable to finance cost)	(24)	-	(41)	(24)	(79)	(81)	(24)	-	(41)	(24)	(79)	(81)

9 (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 and half year ended 30th September 2019.

(b) The consolidated figures for the corresponding quarter and half year ended 30th September 2018 are approved by the Board of Directors and have not been subjected to Limited review by the auditors.

(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 and half year ended 30th September 2019 and for the quarter ended 30th June 2019. Reference for matters covered in note 9(c) (i) and 9(c) (ii) (a) was also given in their report on the consolidated financial results / financial statement for the year ended 31st March 2019.

10 In the previous quarter, the Board of Directors had recommended dividend of Rs.1/- per equity share of Rs. 10/- each for financial year 2018-19 (in the quarter and half year ended 30th September 2018 Rs. Nil, year ended 31st March 2019 Rs. Nil). The shareholders have approved this dividend at the Annual general meeting of the Company held on 10th August 2019.

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Notes to financial results (continued):

11 **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						Consolidated					
	Quarter ended			Half year ended		Year ended	Quarter ended			Half year ended		Year ended
	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019	30-Sep-2019	30-Jun-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018	31-Mar-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment revenue												
(a) Closed die steel forging and processing	5,077	3,946	4,638	9,023	8,306	17,264	5,504	4,296	4,888	9,801	8,783	18,929
(b) Power generation	104	64	96	168	154	216	104	64	96	168	154	216
Total	5,181	4,010	4,734	9,191	8,461	17,480	5,609	4,360	4,984	9,969	8,937	19,145
Less: Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net sales / income from operations	5,181	4,010	4,734	9,191	8,461	17,480	5,609	4,360	4,984	9,969	8,937	19,145
Segment result												
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)												
(a) Closed die steel forging and processing	715	299	919	1,014	1,510	2,299	684	160	749	844	1,242	2,167
(b) Power generation	84	44	76	128	97	118	84	44	76	128	97	118
Total	799	343	995	1,142	1,607	2,417	767	205	825	971	1,339	2,285
Less:												
(i) Finance cost	173	148	197	321	377	693	201	180	231	381	440	821
(ii) Other un-allocable expenditure / (income)(net)	7	(31)	183	(24)	431	46	12	(22)	(24)	(11)	83	46
Profit before tax	619	226	616	845	799	1,678	554	47	618	601	816	1,418
Capital employed:												
Segment assets												
(a) Closed die steel forging and processing	15,790	15,549	14,456	15,790	14,456	15,232	17,066	16,870	16,225	17,066	16,225	16,206
(b) Power generation	1,288	1,224	1,362	1,288	1,362	1,197	1,288	1,224	1,362	1,288	1,362	1,197
(c) Unallocated	1,096	1,140	1,207	1,096	1,207	1,150	168	249	453	168	453	599
Total (A)	18,174	17,913	17,025	18,174	17,025	17,579	18,522	18,342	18,039	18,522	18,039	18,002
Segment liabilities												
(a) Closed die steel forging and processing	3,062	2,660	2,848	3,062	2,848	2,562	5,562	5,186	5,545	5,562	5,545	2,875
(b) Power generation	1	-	-	1	-	-	1	-	-	1	-	-
(c) Unallocated*	8,226	8,683	8,376	8,226	8,376	8,619	8,025	8,477	8,157	8,025	8,157	10,445
Total (B)	11,289	11,343	11,224	11,289	11,224	11,181	13,587	13,663	13,702	13,587	13,702	13,320
Capital Employed (Segment Assets- Segment Liabilities) (A-B)												
(a) Closed die steel forging and processing	12,728	12,889	11,609	12,728	11,609	12,670	11,504	11,684	10,679	11,504	10,679	13,331
(b) Power generation	1,288	1,224	1,362	1,288	1,362	1,197	1,288	1,224	1,362	1,288	1,362	1,197
(c) Unallocated	(7,130)	(7,543)	(7,169)	(7,130)	(7,169)	(7,469)	(7,856)	(8,228)	(7,704)	(7,856)	(7,704)	(9,846)
Total	6,886	6,570	5,801	6,886	5,801	6,398	4,935	4,679	4,337	4,935	4,337	4,682

*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.

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

for Pradeep Metals Limited

Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Mumbai

ORIGINAL

Limited Review Report on the quarterly and half yearly 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 and half year ended 30th September 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.

   Attention is drawn to the fact that the figures for net cash inflows / outflows for the corresponding period from 1st April 2018 to 30th September 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subjected to review by us. Also refer note 2.1 of the unaudited standalone financial results for the quarter and half year ended 30th September 2019.

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 issue report 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 standalone 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.

N.A. SHAH ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Emphasis of matter

5. Reference is invited to note 5 of the notes to unaudited standalone financial results. We are informed that in view of management's expectation of further revival in the demand for the products in which wholly owned subsidiary (WOS) and step down subsidiary (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.
Our conclusion is not modified in respect of above matter. In respect of above, attention was drawn by us in the limited review report for the quarter ended 30th June 2019, quarterly limited review reports for the earlier years and in the independent auditors report for earlier years. Our conclusion / opinion was also not modified in respect of above matter in quarter ended 30th June 2019, quarters of earlier financial years and earlier financial years.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No. 116560W/W100149

M. D. Mody

N. A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS *

Milan Mody
Partner
Membership number: 103286
UDIN: 19103286AAAALE1997
Place: Mumbai
Date: 13 NOV 2019

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

DUPLICATE

Limited Review Report on the quarterly and half yearly 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 and half year ended 30th September 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, which has been initialed by us for identification purpose.

   Attention is drawn to the fact that in terms of the requirement of the above referred Circular, consolidated unaudited figures for the corresponding quarter and half year ended 30th September 2018 have been approved by the Holding Company's Board of Directors, but have not been subject to limited review by us. Also refer note 2.1 and note 9(b) of the Statement for the quarter and half year ended 30th September 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 issue report 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)

N.A. SHAH ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

5. 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 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 9(c) of the Statement. In respect of SDS;

a) 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;

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 above matters, attention was also drawn by us in the limited review report for the quarter ended 30th June 2019. In respect of matters covered in para 6(a) and 6(b)(i), attention was 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 quarter ended 30th June 2019 and previous year also.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No. 116560W/W100149

M D Mody

N. A. SHAH ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Milan Mody
Partner
Membership number: 103286
UDIN: 19103286AAAALF7293

Place: Mumbai
Date: 13 NOV 2019