



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

4th February, 2020

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 27th January, 2020 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:

1. Has considered and approved the Unaudited Financial Results on Standalone and consolidated basis for the quarter and nine months ended 31st December, 2019. A copy of the said results, notes thereto, Limited Review Report of the Auditors is enclosed for your records.
2. Reconstitution of Members of Stakeholders Relationship Committee due to death of Mr. O.P Agarwal who was Director of Company as well as Chairman of Committee.

The Board has appointed Ms. Nandita Vohra, Director of Company (Non-Executive-Independent) as Member & Chairman of Stakeholders Relationship Committee w.e.f 4th February, 2020.

The Meetings of the Stakeholders Relationship Committee/Audit Committee/Board of Directors of the Company commenced at 3.00 p.m. and concluded at 6.15 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





Notes to financial results:

1 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 04th February 2020. The statutory auditors of the Company have carried out limited review of the unaudited standalone & consolidated financial results for the quarter and nine months ended 31st December 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 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.

3 In view of expected revival in the demand for the product in which Wholly Owned Subsidiary (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 31st December 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 September 2019 & 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.

4 The Company had decided to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in the quarter ended 30th September 2019. Accordingly, the Company had recognized provision for income tax in the six months ended 30th September 2019 and its deferred tax (liabilities) 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) was recognized in the statement of Profit & Loss for quarter ended 30th September 2019 and is included in the tax expense for the nine months ended 31st December 2019.

5 During the quarter, WOS has availed working capital facility of Rs. 700 lakhs (USD 1,000,000) based on unutilized bank credit available with the company.

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

Particulars	Quarter ended		Nine months ended	
	31-Dec-2019	30-Sep-2019	31-Dec-2018	31-Mar-2019
Pradeep Metals Limited Inc. USA	675	743	554	2,145
Dimensional Machine Works, LLC	46	20	67	2,846

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

Particulars	Quarter ended		Nine months ended		Consolidated	
	31-Dec-2019	30-Sep-2019	31-Dec-2018	31-Mar-2019	31-Dec-2019	31-Mar-2019
Other Income	44	30	51	46	44	46
Other Expenses	-	-	-	(71)	-	(71)
Finance cost - Foreign exchange loss (attributable to finance cost)	(3)	(24)	(27)	(79)	(3)	(79)

8 (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 nine months ended 31st December 2019.

(b) The consolidated figures for the corresponding quarter and nine months ended 31st December 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 flow to cover the carrying value of the tangible assets and goodwill and therefore in the opinion of the management, no provision for impairment loss of assets of SDS is considered necessary.

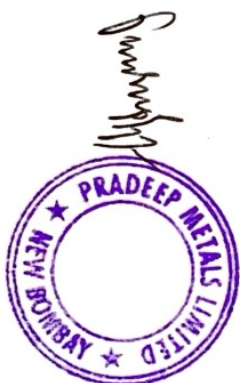
(ii) (a) Ageing of slow-moving items of inventories is not available from the system. Management is of the view that there is demand for the SDS's products and inventories have realizable value greater than cost and hence no provision is considered necessary by the management. (b) Further, the improvement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

Statutory auditors have drawn reference of the above matters in their limited review report on the unaudited consolidated financial results for the quarter and nine months ended 31st December 2019, for the quarter ended 30th September 2019 and 30th June 2019. Reference for matters covered in note 8(c) (i) and 8(c) (ii) (a) was also given in their report on the consolidated financial results / financial statement for the year ended 31st March 2019.

9 In the quarter ended 30th June 2019, 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 nine months ended 31st December 2018 Rs. Nil, year ended 31st March 2019 Rs. Nil, quarter ended 30th June 2019 Rs. Nil and 30th September 2019 Rs. Nil). The shareholders had approved this dividend at the Annual general meeting of the Company held on 10th August 2019.

SIGNED FOR IDENTIFICATION BY

N. A. SHAH ASSOCIATES LLP
 MUMBAI



Notes to financial results (continued):
Segment disclosure:
The Company is primarily engaged in manufacturing of closed die forgings & steel processing and generating power from wind turbine generator.

Particulars	Standalone				Consolidated			
	31-Dec-2019 Unaudited	30-Sep-2019 Unaudited	31-Dec-2018 Unaudited	31-Dec-2019 Unaudited	31-Dec-2018 Unaudited	31-Dec-2019 Unaudited	31-Dec-2018 Unaudited	31-Dec-2019 Unaudited
Segment revenue								
(a) Closed die steel forging and processing	4,598	5,077	4,380	13,620	12,687	17,264	5,238	18,829
(b) Power generation	32	104	37	201	191	216	32	216
Total	4,630	5,181	4,417	13,821	12,878	17,480	5,270	19,145
Less: Intersgment revenue								
Net sales / Income from operations	4,630	5,181	4,417	13,821	12,878	17,480	5,270	19,145
Segment result								
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)	790	715	473	1,880	1,982	2,299	713	2,167
(a) Closed die steel forging and processing	12	64	16	95	113	118	12	118
(b) Power generation	802	799	489	1,975	2,105	2,417	725	2,285
Total	814	863	505	2,070	2,218	2,617	737	2,385
Less:								
(i) Finance cost	157	173	159	478	535	693	215	821
(ii) Other un-allocable expenditure / (Income)(net)	(6)	7	(137)	1	303	46	(2)	46
Profit before tax	650	619	467	1,496	1,287	1,678	512	1,418
Capital employed:								
Segment assets								
(a) Closed die steel forging and processing	15,100	15,790	14,890	15,100	14,890	15,232	16,601	16,206
(b) Power generation	1,230	1,288	1,296	1,230	1,296	1,197	1,230	1,197
(c) Unallocated	1,020	1,096	1,120	1,020	1,120	1,150	238	598
Total (A)	17,350	18,174	17,306	17,350	17,306	17,579	18,069	18,002
Segment liabilities								
(a) Closed die steel forging and processing	2,306	3,062	2,455	2,306	2,455	2,562	4,814	2,875
(b) Power generation	7,674	8,225	8,724	7,674	8,724	8,619	7,991	10,445
(c) Unallocated	9,980	11,288	11,179	9,980	11,179	11,181	12,805	13,320
Total (B)	19,960	22,575	22,358	19,960	22,358	22,362	25,610	26,635
Capital Employed (Segment Assets- Segment Liabilities) (A-B)								
(a) Closed die steel forging and processing	12,794	12,728	12,435	12,794	12,435	12,670	11,787	13,331
(b) Power generation	1,230	1,288	1,296	1,230	1,296	1,197	1,230	1,197
(c) Unallocated	(6,554)	(7,130)	(7,604)	(6,554)	(7,604)	(7,469)	(7,253)	(9,546)
Total	7,470	6,886	6,127	7,470	6,127	6,398	5,264	4,982

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 three 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 Goja
Chairman and Managing Director
DIN: 00008370
Mumbai

PRADEEP METALS LIMITED
NEW BOMBAY

Limited Review Report on unaudited standalone financial results for the quarter and nine months ended 31st December 2019 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 nine months ended 31st December 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 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.

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 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.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

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 September 2019, 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 September 2019, 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



Milan Mody

Partner

Membership number: 103286

UDIN: 20103286AAAAAR1851



Place: Mumbai

Date: -4 FEB 2020

Limited Review Report on unaudited consolidated financial results for the quarter and nine months ended 31st December 2019 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 nine months ended 31st December 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 nine months ended 31st December 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 8(b) of the Statement.

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)

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.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

6. Emphasis of Matter

Reference is invited to note 8(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 September 2019 and 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 quarters ended 30th September 2019, 30th June 2019 and previous year also.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560WW/100149

M. A. Mody



Milan Mody

Partner

Membership number: 103286

UDIN: 20103286AAAAA58589

Place: Mumbai

Date: - 4 FEB 2020