



**Pradeep Metals Limited**  
**Manufacturers of Precision Closed Die Forgings**

29<sup>th</sup> June, 2020

**The Secretary**

**BSE Limited**

P J Towers, Dalal Street,  
Mumbai 400 001

Dear Sir,

**Sub: Outcome of Board Meeting dated 29<sup>th</sup> June, 2020**

**Scrip Code: 513532**

This is in continuation to our letter dated 23<sup>rd</sup> June, 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 has taken following decisions:

**Approval of Audited Financials Results:**

- Approved the Audited Financial Results of the Company on Standalone and Consolidated basis for the quarter/year ended 31<sup>st</sup> March, 2020 along with Auditors' Reports thereon with unmodified opinions.

**Re-appointment of Statutory Auditors:**

- Re-appointment of M/s. N. A. Shah & Associates, LLP (Firm Registration Number: 116560W/W100149) as Statutory Auditors of Company for a second term of five years from the Conclusion of 37<sup>th</sup> Annual General Meeting upto the Conclusion of 42<sup>nd</sup> Annual General Meeting of the Company.

**Appointment/Re-appointment of Directors:**

Subject to approval of Members in the forthcoming AGM:

- Re-appointment of Dr. Kewal Krishan Nohria, who retires by rotation, and who has attained Seventy- Five years of age, but being eligible, offers himself for reappointment,
- Re-appointment of Mr. Pradeep Goyal as Chairman & Managing Director of Company for a period of three years w.e.f. 17<sup>th</sup> December, 2020,
- Appointment of Mr. Abhinav Goyal as Director (Non-Executive Non-Independent) of the Company, to hold the office w.e.f. from the date of 37<sup>th</sup> Annual General Meeting of the Company

**Fixing date of 37<sup>th</sup> Annual General Meeting of Board and Book-closure dates:**

- The 37<sup>th</sup> Annual General Meeting of the Company shall be held on 25<sup>th</sup> September, 2020.
- The Register of Members and Share Transfer Books of the Company will be closed from 18<sup>th</sup> September, 2020 to 24<sup>th</sup> September, 2020 (both days inclusive)

The meeting of the Audit Committee/Board of Directors of the Company commenced at 5.00 p.m. and concluded at 9.30 p.m.

R-205, M.I.D.C., RABALE, NAVI MUMBAI - 400 701, INDIA.

Phone : +91-22-2769 1026, 2769 3173 Fax : +91-22-2769 1123

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



**Pradeep Metals Limited**  
Manufacturers of Precision Closed Die Forgings

Please take the above information on record.

Thanking you,  
Yours Truly,  
For **Pradeep Metals Limited**



**Nivedita Nayak,**  
**Company Secretary & Compliance officer**  
**FCS: 8479**  
**Place: Navi Mumbai**

**Enclosure:**

- Copy of financial results, notes thereto and Auditors Report along with Cash Flow Statements enclosed for your records.

**Auditor's Report on 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**

**Report on the audit of the standalone financial results**

**Opinion**

We have audited the accompanying statement of standalone financial results ("the Statement") of Pradeep Metals Limited ("the Company") for the year ended 31<sup>st</sup> March 2020, 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 ('Listing Regulations'), which has been initialed by us for identification purpose.

In our opinion and to the best of our information and according to the explanations given to us these Standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for year ended 31<sup>st</sup> March 2020

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Standalone financial results.

**Emphasis of matter**

Reference is invited to note 5 of the notes to financial results. In view of continuing losses in the wholly owned subsidiary (WOS) and step down subsidiary (SDS), expected business impact of Covid-19 and provision for impairment of goodwill by SDS, the Company carried out impairment assessment in respect of its investment in WOS and loans granted to WOS. Based on such assessment, the Company has made a provision for impairment of Rs. 270 lakhs in the value of its investment in WOS during the quarter ended 31<sup>st</sup> March 2020. In the view of management, considering the long term and strategic nature of investment, the balance carrying value of investment would yield the required benefits and the loan given to the WOS is considered as fully recoverable.

Our opinion is not modified in respect of above matter.



# **N. A. SHAH ASSOCIATES LLP**

Chartered Accountants

## **Management's responsibility for the standalone financial results**

These standalone financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the applicable Indian accounting standards (Ind As) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



## N. A. SHAH ASSOCIATES LLP

Chartered Accountants

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matters

- i. The statement includes the results for the quarter ended 31<sup>st</sup> March, 2020 being the derived figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March, 2020 and the published unaudited year-to-date figures upto 31<sup>st</sup> December, 2019, being the date of the end of the third quarter of the financial year, which were subjected to a limited review.
- ii. On account of lockdown due to Covid-19, the management could not carry out physical verification of inventories as at 31<sup>st</sup> March 2020 and consequently, we also could not observe the physical verification in respect of inventories as at 31<sup>st</sup> March 2020. However, physical verification was carried out by the management during the year. We have relied upon the internal control system and performed alternate procedures to validate the existence of inventories as on 31<sup>st</sup> March 2020.

Our opinion is not modified in respect of the above matters.

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm's Registration No. 116560W/W100149

*M. V. Mody*

**Milan Mody**

Partner

Membership number: 103286

UDIN: 20103286 AAAACH6279

Place: Mumbai

Date: 29<sup>th</sup> June 2020



**Auditor's Report on 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

**Report on consolidated financial results for the year ended 31<sup>st</sup> March 2020**

**Opinion**

We have audited the accompanying Statement of Consolidated Financial Results ("the Statement") of Pradeep Metals Limited ("the Company") and its Wholly Owned Subsidiary (WOS) and Step Down Subsidiary (SDS) (collectively referred to as 'the Group') for the year ended 31<sup>st</sup> March 2020, 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 in terms of the requirement of the above referred Circular, consolidated unaudited figures for the corresponding quarter ended 31<sup>st</sup> March 2019 have been approved by the Holding Company's Board of Directors, but have not been subject to limited review by us. Also refer note 10(b) of the Statement.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the management certified financial statements referred to in "Other Matter" paragraph below and on other financial information of the subsidiaries, these consolidated financial results:

- a) includes annual unaudited financial results of the following entities:

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

- b) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations, 2015 (as amended) in this regard; and
- c) give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India of the total comprehensive income comprising of net profit and other comprehensive income and other financial information of the Group for the year ended 31<sup>st</sup> March, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

## Emphasis of matter

Reference is invited to note 10(c) of the statement. In respect of SDS:

- a) The management has carried out impairment assessment in respect of goodwill and tangible assets considering the continuing losses and assessment of financial impact on account of Covid-19 on future cash flows. Based on such assessment, the excess of carrying value of goodwill over the recoverable amount of Rs. 270 lakhs has been accounted as an impairment provision during the quarter ended 31<sup>st</sup> March 2020. Management is of the view that expected growth in the demand of the SDS's products and other steps taken by the management, will generate sufficient cash flows to cover balance carrying value of goodwill and the carrying value of the tangible assets as at 31<sup>st</sup> March 2020.
- b) In respect of inventory: (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 SDSs products and these inventories have realizable value greater than cost. Based on the management estimate, provision is made wherever considered necessary. We have relied on the management for the demand estimate and expected price realization. (ii) Further, the improvement in the systems and processes of maintaining the inventory records is in process.

Our opinion is not modified in respect of above matters. The matter in paragraph (b) above, was reported in our report for earlier quarters of current year and for the year ended 31<sup>st</sup> March, 2019. Our opinion was not modified in earlier quarters and previous year also.

## Management's responsibility for Consolidated Financial Results

These consolidated financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/ management of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial results.



## N. A. SHAH ASSOCIATES LLP

Chartered Accountants

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

We did not audit the financial statements of WOS and SDS for the year ended 31<sup>st</sup> March 2020 included in the consolidated statement, whose financial statements reflect total assets of Rs. 7,797 lakhs as at 31<sup>st</sup> March 2020, total revenues (including other income) of Rs. 1,081 lakhs and Rs. 4,896 lakhs and share of total loss after tax amounting to Rs. 653 lakhs and Rs. 1,031 lakhs for the quarter and year ended 31<sup>st</sup> March, 2020 respectively, and net cash inflow of Rs. 93 lakhs for the year ended 31<sup>st</sup> March, 2020, as considered in the consolidated financial statements. We have carried out limited review of the unaudited standalone financial statements of WOS and SDS for the quarter and year ended 31<sup>st</sup> March 2020. The unaudited financial statements / financial information of WOS and SDS are certified by the Company's management and have been prepared by the Company in accordance with Ind AS. Our opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the statement as stated in this paragraph, is based solely on such management certified unaudited financial statements. Our opinion on the consolidated financial results is not modified in respect of the above matter.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W / W100149

*M. V. Mody*

**Milan Mody**

Partner

Membership number: 103286

UDIN: 20103286 AAAA C G 3 187

Place: Mumbai

Date: 29 JUN 2020



Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2020

Sr. No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		31-Mar-2020 Unaudited (Refer note 12)	31-Dec-2019 Unaudited	31-Mar-2019 Unaudited (Refer note 12)	31-Mar-2019 Audited	31-Mar-2020 Unaudited (Refer note 12)	31-Dec-2019 Unaudited	31-Mar-2019 Unaudited (Refer note 10(a) & 12)	31-Mar-2019 Audited
1	Income from operations	3,805	4,630	4,603	17,480	4,284	5,270	5,227	19,523
2	Other income	70	56	50	130	61	55	48	209
3	<b>(A) Total Income (1+2)</b>	<b>3,875</b>	<b>4,686</b>	<b>4,653</b>	<b>17,610</b>	<b>4,345</b>	<b>5,325</b>	<b>5,275</b>	<b>19,732</b>
(a)	Expenses								
(b)	Cost of materials consumed	1,527	1,960	2,229	8,233	1,581	2,163	2,211	8,527
(c)	Changes in inventories of work-in-progress, finished goods and scrap	(25)	57	(30)	(161)	69	177	175	(57)
(d)	Manufacturing expenses	847	932	979	3,675	975	1,020	1,060	4,056
(e)	Employee benefits expense	543	551	508	1,973	731	736	724	2,925
(f)	Finance costs	137	157	158	693	169	215	191	821
(g)	Depreciation and amortisation expense	130	126	113	444	197	193	159	766
(h)	Other expenses	242	251	284	1,102	290	309	376	1,305
4	<b>(B) Total Expenses</b>	<b>3,401</b>	<b>4,036</b>	<b>4,241</b>	<b>15,932</b>	<b>4,012</b>	<b>4,813</b>	<b>4,896</b>	<b>18,286</b>
5	Profit before exceptional items and tax (A-B)	474	650	412	1,678	333	512	379	1,446
6	Less: Exceptional items- Provision for impairment [Refer note 5 and 10(c)(i)]	270	-	-	-	270	-	-	270
7	<b>Profit / (Loss) before tax (4-5)</b>	<b>204</b>	<b>650</b>	<b>412</b>	<b>1,678</b>	<b>63</b>	<b>512</b>	<b>379</b>	<b>1,176</b>
8	Tax Expense								
9	1. Current tax	(112)	(154)	(116)	(490)	(112)	(154)	(116)	(490)
10	2. Deferred tax	(6)	(11)	(4)	(2)	(6)	(11)	(4)	(2)
11	3. Income tax, deferred tax and MAT credit of earlier years (net)*	0	7	(1)	8	0	7	(1)	8
12	<b>Profit (Loss) for the year from continuing operations (6-7)</b>	<b>86</b>	<b>492</b>	<b>291</b>	<b>1,194</b>	<b>(55)</b>	<b>354</b>	<b>258</b>	<b>934</b>
13	Profit (Loss) from discontinuing operations	-	-	-	-	-	-	-	-
14	Tax expense of discontinuing operations	-	-	-	-	-	-	-	-
15	<b>Profit (Loss) from discontinuing operations (after tax) (9-10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
16	<b>Profit (Loss) for the year (8+11)</b>	<b>86</b>	<b>492</b>	<b>291</b>	<b>1,194</b>	<b>(55)</b>	<b>354</b>	<b>258</b>	<b>934</b>
17	Other Comprehensive Income (OCI)								
18	A (i) Items that will not be reclassified to profit or loss								
19	Remeasurement gain/(loss) of net defined benefit liability	126	(11)	(28)	(39)	125	(11)	(28)	(39)
20	(ii) Income tax relating to items that will not be reclassified to profit or loss	(32)	3	8	11	(32)	3	8	11
21	B (i) Items that will be reclassified to profit or loss								
22	Exchange differences on translation of foreign operations	-	-	-	-	(157)	12	(15)	(83)
23	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
24	Total of Other Comprehensive Income	94	(8)	(20)	(28)	(64)	4	(35)	(151)
25	<b>Total Comprehensive Income for the year (12+13) [Comprising Profit (Loss) and Other Comprehensive Income for the year attributable to:]</b>	<b>180</b>	<b>484</b>	<b>271</b>	<b>1,166</b>	<b>(119)</b>	<b>358</b>	<b>223</b>	<b>783</b>
26	(a) To Owners of parent	-	-	-	-	(119)	358	223	783
27	(b) To Non controlling interest	-	-	-	-	-	-	-	-
28	Of the Total Comprehensive Income above, Profit for the year attributable to:								
29	(a) To Owners of parent	-	-	-	-	(55)	354	258	934
30	(b) To Non controlling interest	-	-	-	-	-	-	-	-
31	Of the Total Comprehensive Income above, Other comprehensive income attributable to:								
32	(a) To Owners of parent	-	-	-	-	(64)	4	(35)	(151)
33	(b) To Non controlling interest	-	-	-	-	-	-	-	-
34	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
35	Reserves excluding revaluation reserve	-	5,613	-	4,671	-	1,727	-	3,182
36	Earnings per equity share of Rs. 10/- each (Not annualised)								
37	(a) Basic (in Rs.)	0.50	2.85	1.69	6.91	(0.32)	2.05	1.49	4.44
38	(b) Diluted (in Rs.)	0.50	2.85	1.69	6.91	(0.32)	2.05	1.49	4.44

\*represents income tax and deferred tax for earlier years. Rs. 0.23 lakh in current quarter



SIGNED FOR IDENTIFICATION BY  
*H. O. 16/2*  
N. A. SHAH ASSOCIATES LLP  
MUMBAI

Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2020 (Continued)

Standalone/ Consolidated Statement of Assets and Liabilities

Particulars	(Rs. in lakhs)			
	Standalone (Audited) As at 31st March 2020	As at 31st March 2019	Consolidated (Audited) As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>				
Non-current assets				
Property plant and equipment	5,139	4,652	5,768	5,385
Right of use assets	133	-	250	-
Capital work-in-progress	195	659	195	658
Goodwill	-	-	321	518
Other intangible assets	351	58	352	63
Intangible assets under development	-	432	-	432
Goodwill on consolidation	-	-	148	148
Investment in subsidiary	609	879	-	-
Financial assets:				
(i) Investments - Others*	0	0	0	0
(ii) Loans	189	173	-	-
iii) Other non-current financial assets	51	55	68	62
Income tax assets (net)	87	179	87	178
Other non-current assets	351	385	469	388
<b>Current assets</b>	<b>7,105</b>	<b>7,511</b>	<b>7,358</b>	<b>7,832</b>
<b>Financial assets</b>	<b>2,952</b>	<b>3,173</b>	<b>4,015</b>	<b>4,254</b>
(i) Trade receivable	5,379	5,308	4,112	4,526
(ii) Cash and cash equivalent	3	44	190	388
(iii) Bank balances other than cash and cash equivalent	33	32	33	32
(iv) Loans	7	3	7	10
(v) Other current financial assets	297	331	304	674
Other current assets	141	257	156	285
	<b>8,612</b>	<b>10,068</b>	<b>8,317</b>	<b>10,170</b>
<b>TOTAL ASSETS</b>	<b>15,917</b>	<b>17,573</b>	<b>16,475</b>	<b>18,002</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,727	1,727	1,727	1,727
Other equity	5,613	4,371	3,182	2,955
<b>TOTAL EQUITY</b>	<b>7,340</b>	<b>6,398</b>	<b>4,309</b>	<b>4,682</b>
<b>LIABILITIES</b>				
Non-current liabilities:				
(i) Borrowings	1,037	1,509	2,332	3,022
(ii) Lease liabilities	70	107	107	-
Provisions	27	74	27	74
Deferred tax liabilities (Net)	446	451	446	461
	<b>1,580</b>	<b>2,343</b>	<b>2,312</b>	<b>3,557</b>
Government grant pending apportionment to statement of profit & loss	-	214	-	214
<b>Current liabilities:</b>				
Financial liabilities:				
(i) Borrowings	4,267	5,524	4,352	5,524
(ii) Trade payable	24	33	24	36
- Due to micro and small enterprises	992	1,504	1,176	1,746
(iii) Lease liabilities	27	-	112	-
(iv) Other current financial liabilities	1,454	1,453	2,360	1,940
Other current liabilities	67	42	164	42
Provisions	163	202	163	201
Current tax liabilities (net)	3	63	3	60
	<b>6,997</b>	<b>8,321</b>	<b>8,354</b>	<b>9,549</b>
<b>TOTAL LIABILITIES</b>	<b>8,577</b>	<b>11,181</b>	<b>11,356</b>	<b>13,320</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>15,917</b>	<b>17,573</b>	<b>16,475</b>	<b>18,002</b>

\*represents 100 shares of TUSB Sahakar Bank Ltd of Rs. 0.05 lakh



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

Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2020 (Continued)  
Notes to financial results (continued):

2 Standalone Cash Flow Statement for the financial year ended 31st March 2020

Particulars	Year ended 31st March 2020 (Audited)	Year ended 31st March 2019 (Audited)	Consolidated Year ended 31st March 2020 (Audited)	Year ended 31st March 2019 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before taxation	1,599	1,578	1,176	1,418
Adjustments to:				
Depreciation and amortization (net)	509	444	766	626
Allowance for doubtful debts/other current assets utilised (net)*	0	(0)	0	(0)
Allowance for doubtful advance	2	1	2	1
Allowance for contingency written back	-	(2)	-	(2)
Unrealised foreign exchange (gain)/loss (net)	(56)	(51)	(116)	64
(Profit)/loss on sale of fixed asset (net)	67	(4)	67	(12)
Impairment of investment/goodwill (exceptional item)	270	-	270	-
Interest expenses	615	694	784	821
Interest income	(38)	(30)	(26)	(16)
	1,369	1,052	1,727	1,482
<b>Operating profit before changes in assets and liabilities</b>	<b>3,068</b>	<b>2,730</b>	<b>2,903</b>	<b>2,900</b>
Movements in working capital : [Current and Non-current]				
(Increase) / decrease in other assets and other financial assets	493	33	494	(120)
(Increase) / decrease in inventories	226	(414)	211	(468)
(Increase) / decrease in trade receivable	799	(1,081)	684	(297)
Increase / (decrease) in trade payable, other liabilities, provisions and other financial liabilities	(530)	343	(364)	333
	988	(1,119)	1,025	(552)
<b>Adjustment for:</b>	<b>4,056</b>	<b>1,611</b>	<b>3,928</b>	<b>2,348</b>
Direct taxes paid [including tax deducted at source](net of refund)	(448)	(461)	(448)	(461)
Net cash generated/ (used in) from operating activities...(A)	<b>3,608</b>	<b>1,150</b>	<b>3,480</b>	<b>1,887</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets (tangible / intangible) (including capital advances and sale of fixed asset)	(657)	(1,149)	(840)	(1,205)
(Increase)/decrease in other bank balances and non-current assets [Other than cash and cash equivalent]	1	9	1	9
Loan to wholly owned subsidiary (given) / refund received	(1)	6	(1)	6
Interest received	38	65	26	16
	(619)	(1,039)	(814)	(1,174)
Adjustment for:				
Less: Direct taxes paid [including tax deducted at source]	(4)	-	(4)	-
Net cash generated/ (used in) from investing activities...(B)	<b>(623)</b>	<b>(1,039)</b>	<b>(818)</b>	<b>(1,174)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from long term borrowing	316	524	316	532
Repayment of long term borrowing	(875)	(723)	(1,161)	(942)
Repayment of lease liabilities	(25)	-	(102)	(22)
Increase/(decrease) in working capital loan (Net)	(1,409)	699	(724)	699
Dividend/interest dividend paid (including dividend distribution tax)	(416)	-	(416)	-
Interest paid	(517)	(687)	(773)	(784)
	(3,026)	(187)	(2,860)	(517)
Net cash generated/ (used) from financing activities...(C)	<b>(41)</b>	<b>(76)</b>	<b>(198)</b>	<b>196</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>44</b>	<b>120</b>	<b>388</b>	<b>192</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>44</b>	<b>190</b>	<b>388</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(41)</b>	<b>(76)</b>	<b>(198)</b>	<b>196</b>

\*represents doubtful advance of Rs.0.28 lakh for current year [Previous year Rs.0.50] lakh]



SIGNED FOR IDENTIFICATION BY  
*A. V. Wode*  
N. A. SHAH ASSOCIATES LLP  
MUMBAI

Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2020 (Continued)

Notes to financial results (continued):

The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 23rd June 2020, the statutory auditors of the Company have carried out audit of the standalone & consolidated financial results for the year ended 31st March 2020.

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 does not have any material impact on the audited standalone and consolidated financial results of the Company.

In view of continuing losses in the wholly owned subsidiary (WOS) and step down subsidiary (SDS), expected business impact of Covid-19 and provision for impairment of goodwill by SDS, the Company carried out impairment assessment in respect of its investment in WOS and loans granted to WOS. Based on such assessment, the Company has made a provision for impairment of Rs. 270 lakhs in the value of its investment in WOS during the quarter ended 31st March 2020, (for the quarter ended 31st December 2019, quarter and year ended 31st March 2019 Rs. Nil). This provision is disclosed as exceptional item in the standalone financial results. In the view of management, considering the long term and strategic nature of investment, the balance carrying value of investment would yield the required benefits and the loan given to the WOS is considered as fully recoverable. Statutory auditors have drawn reference of the above matters in their report on the standalone financial results for the quarter and year ended 31st March 2020.

In the year ended 31st March 2020, 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 and deferred tax liabilities (net) on the basis of the rate prescribed in the said section. The net impact of this change amounting to Rs. 67.60 lakhs (reversal of current tax & deferred tax liabilities) was recognized in the quarter ended 30th September 2019 and is also included in the tax expense for the year ended 31st March 2020.

During the quarter ended 31st December, 2019, WOS has availed of working capital facility of USD 1,000,000 (equivalent to Rs. 756.35 lakhs as on 31st March 2020) based on SBLC established by the Company.

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

Particulars	(Rs. in lakhs)			
	Quarter ended		Year ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2019
Pradeep Metals Limited Inc., USA (WOS)	422	675	2,560	2,846
Dimensional Machine Works, LLC (SDS)	56	0	122	-

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

Particulars	(Rs. in lakhs)					
	Standalone			Consolidated		
	Quarter ended	31-Mar-2019	31-Mar-2019	Quarter ended	31-Mar-2019	Year ended
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019	31-Mar-2020
Other Income	54	24	46	54	44	22
Other Expenses	-	-	-	-	-	161
Finance cost - Foreign exchange loss (attributable to finance cost)	(25)	(3)	(81)	(25)	(3)	(52)

10 (a) Consolidated financial statements / 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 year ended 31st March 2020.

(b) The consolidated figures for the corresponding quarter ended 31st March 2019, 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) The management has carried out impairment assessment in respect of goodwill and tangible assets considering the continuing losses and assessment of financial impact on account of Covid-19 on future cash flows. Based on such assessment, the excess of carrying value of goodwill over the recoverable amount has been accounted as an impairment provision Rs. 270 lakhs during the quarter ended 31st March 2020, (for the quarter ended 31st December 2019, quarter and year ended 31st March 2019 Rs. Nil). This provision is disclosed as exceptional item in consolidated financial results. Management is of the view that expected growth in the demand of the SDS's products and other steps taken by the management, will generate sufficient cash flows to cover balance carrying value of goodwill and the carrying value of the tangible assets as at 31st March 2020.

(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 these inventories have realizable value greater than cost. Based on the management estimate provision is made wherever considered necessary. (b) Further, the improvement in the systems and processes of maintaining the inventory records is in process.

Statutory auditors have drawn reference of the matters covered in para (i) & (ii) above in their report on the consolidated financial results for the quarter and year ended 31st March 2020. The matter in para (ii) above was also reported in their report for the three quarters of financial year 2019-20 and for the year ended 31st March 2019.

11 In the quarter ended 31st March 2020, the Board of Directors has declared the interim dividend of Rs. 1/- per equity share of Rs. 1/- each for financial year 2019-20. Also, during 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 which was approved by the shareholders at the Annual general meeting of the Company held on 10th August 2019 (in the quarter and year ended 31st March 2019 Rs. Nil and in the quarter ended 31st December 2019 Rs. Nil).

12 Figures for the quarter ended 31st March 2020 and 31st March 2019 are balancing figures between audited figures in respect of the full financial year and published year to date figures upto the 3rd quarter of the relevant standalone and consolidated financial results.

13 In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. The holding company and subsidiaries have adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The management has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statements upto the date of approval of the standalone and consolidated financial results by the Board of Directors. In the opinion of the management, due to the pandemic, the demand for Group's products from certain sectors is expected to be sluggish. The management is evaluating various alternate sectors to which it can cater to recoup the reduction in sales. The impact of COVID 19 is still in an evolving stage and hence the management will continue to closely monitor any material changes to future economic conditions and its impact on the holding company and subsidiaries.



**Notes to financial results (continued):**

**Segment disclosure:**

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

Particulars	Standalone						Consolidated			
	Quarter ended		Year ended		Quarter ended		Quarter ended		Year ended	
	31-Mar-2020 Unaudited (Refer note 12)	31-Dec-2019 Unaudited	31-Mar-2019 Unaudited (Refer note 12)	31-Mar-2020 Audited	31-Mar-2019 Audited	31-Mar-2020 Unaudited (Refer note 12)	31-Mar-2019 Unaudited (Refer note 10(b) & 12)	31-Mar-2020 Audited	31-Mar-2019 Audited	31-Mar-2019 Audited
<b>Segment revenue</b>										
(a) Closed die steel forging and processing	3,771	4,598	4,578	17,362	17,264	4,250	5,238	19,289	18,929	
(b) Power generation	34	32	25	234	216	34	32	234	216	
<b>Total</b>	<b>3,805</b>	<b>4,630</b>	<b>4,603</b>	<b>17,596</b>	<b>17,480</b>	<b>4,284</b>	<b>5,270</b>	<b>19,523</b>	<b>19,145</b>	
Less: Interest revenue										
<b>Net sales / Income from operations</b>	<b>3,805</b>	<b>4,630</b>	<b>4,603</b>	<b>17,596</b>	<b>17,480</b>	<b>4,284</b>	<b>5,270</b>	<b>19,523</b>	<b>19,145</b>	
<b>Segment result</b>										
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)	593	790	573	2,397	2,299	484	713	2,042	2,167	
(a) Closed die steel forging and processing	13	12	5	152	118	13	12	152	118	
(b) Power generation	606	802	578	2,549	2,417	497	725	2,194	2,285	
<b>Total</b>	<b>606</b>	<b>802</b>	<b>578</b>	<b>2,549</b>	<b>2,417</b>	<b>497</b>	<b>725</b>	<b>2,194</b>	<b>2,285</b>	
Less:										
(i) Finance cost	137	157	158	615	693	169	215	784	821	
(ii) Other unallocable expenditure / (income) (net)	265	(6)	7	235	46	265	(2)	254	46	
<b>Profit before tax</b>	<b>204</b>	<b>650</b>	<b>412</b>	<b>1,699</b>	<b>1,678</b>	<b>83</b>	<b>512</b>	<b>1,176</b>	<b>1,418</b>	
<b>Capital employed:</b>										
Segment assets										
(a) Closed die steel forging and processing	14,065	15,100	15,232	14,065	15,232	15,053	16,601	15,053	16,206	
(b) Power generation	1,113	1,230	1,197	1,113	1,197	1,113	1,230	1,113	1,197	
(c) Unallocated	739	1,020	1,150	739	1,150	309	238	309	599	
<b>Total (A)</b>	<b>15,917</b>	<b>17,350</b>	<b>17,579</b>	<b>15,917</b>	<b>17,579</b>	<b>16,475</b>	<b>18,069</b>	<b>16,475</b>	<b>18,002</b>	
Segment liabilities										
(a) Closed die steel forging and processing	1,879	2,306	2,562	1,879	2,562	4,472	4,814	4,472	2,875	
(b) Power generation	6,697	7,674	8,619	6,697	8,619	7,094	7,991	7,094	10,445	
(c) Unallocated	8,576	9,880	11,181	8,576	11,181	11,566	12,805	11,566	13,320	
<b>Total (B)</b>	<b>15,152</b>	<b>19,860</b>	<b>22,362</b>	<b>15,152</b>	<b>22,362</b>	<b>23,132</b>	<b>25,600</b>	<b>23,132</b>	<b>26,640</b>	
<b>Capital Employed (Segment Assets - Segment Liabilities) (A-B)</b>										
(a) Closed die steel forging and processing	12,186	12,794	12,670	12,186	12,670	10,581	11,787	10,581	13,331	
(b) Power generation	1,113	1,230	1,197	1,113	1,197	1,113	1,230	1,113	1,197	
(c) Unallocated	(5,958)	(6,554)	(7,469)	(5,958)	(7,469)	(6,785)	(7,753)	(6,785)	(9,846)	
<b>Total</b>	<b>7,341</b>	<b>7,370</b>	<b>6,398</b>	<b>7,341</b>	<b>6,398</b>	<b>4,909</b>	<b>5,264</b>	<b>4,909</b>	<b>4,682</b>	

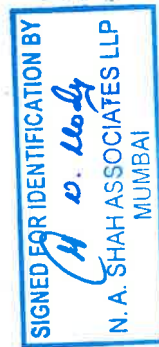
**Business segment:**

Based on the "management approach" as defined in IND AS 108 - Operating Segments, the Chief Operating decision makers evaluate 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  
Date: 28th June 2020





# Pradeep Metals Limited

## Manufacturers of Precision Closed Die Forgings

29<sup>th</sup> June, 2020

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

Dear Sir/Madam,

Sub: Declaration pursuant to Regulation 33 (3) (d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Kavita Choubisa Ojha , Chief Financial Officer of Pradeep Metals Limited (CIN:L99999MH1982PLC026191) having its Registered Office at R 205, MIDC, Rabale, Navi Mumbai- 400701, Maharashtra, hereby declare that, the Statutory Auditors of the Company M/s. N.A. Shah and Associates, Chartered Accountants, have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone and Consolidated) for the quarter and year ended March 31, 2020.

This declaration is given in compliance with Regulation 33 (3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. DCS/COMP/04/2016-17 dated June 01, 2017.

Kindly take this declaration on your records.

Thanking you,  
Yours Truly,

For Pradeep Metals Limited

Kavita Choubisa Ojha  
Chief Financial Officer



Place: Navi Mumbai  
Encl: as above

R-205, M.I.D.C., RABALE, NAVI MUMBAI - 400 701, INDIA.

Phone : +91-22-2769 1026, 2769 3173 Fax : +91-22-2769 1123

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