



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

12th February, 2021

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

Dear Sir,

Sub: Outcome of Board Meeting:
Scrp Code: 513532

This is in continuation to our letter dated 1st February, 2021 and pursuant to Regulation 33, 3C 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, 2020. A copy of the said results, notes thereto, Limited Review Report of the Auditors is enclosed for your records.

The Meetings of the Board of Directors of the Company commenced at 5.30 p.m. and concluded at 8.15 p.m.

Please take the above information on record.

Thanking you,
Yours Truly,

For Pradeep Metals Limited



Nivedita Nayak
Nivedita Nayak
Company Secretary & Compliance Officer
FCS: 8479

Encl: as above

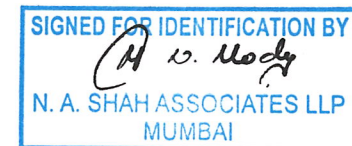
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CIN : L99999MH1982PLC026191 E-mail : info@pradeepmetals.com Website : www.pradeepmetals.com

Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December 2020

(Rs. in lakhs)

Sr.	Particulars	Standalone						Consolidated							
		Quarter ended			Nine months ended			Year ended	Quarter ended			Nine months ended			Year ended
		31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020		
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1	Income from operations	3,480	4,259	4,630	9,937	13,821	17,596	3,916	4,452	5,270	11,075	15,239	19,523		
2	Other income	75	30	56	137	163	233	87	23	55	138	149	209		
	(A) Total Income (1+2)	3,555	4,289	4,686	10,075	13,984	17,829	4,003	4,475	5,325	11,213	15,388	19,732		
3	Expenses														
(a)	Cost of materials consumed	1,324	1,423	1,960	3,755	6,448	7,974	1,328	1,533	2,163	4,055	6,946	8,527		
(b)	Changes in inventories of work-in-progress, finished goods and scrap	98	504	57	376	(149)	(173)	144	463	177	438	(126)	(57)		
(c)	Manufacturing expenses	817	907	932	2,176	2,828	3,645	988	980	1,021	2,472	3,081	4,026		
(d)	Employee benefits expense	559	529	551	1,523	1,645	2,122	647	631	736	1,789	2,193	2,889		
(e)	Finance costs	97	84	157	264	478	615	114	107	215	332	596	764		
(f)	Depreciation and amortisation expense	132	130	128	385	379	498	200	199	193	579	570	755		
(g)	Other expenses	192	240	251	619	859	1,102	241	279	309	736	1,015	1,305		
	(B) Total Expenses	3,219	3,817	4,036	9,099	12,488	15,782	3,662	4,192	4,813	10,401	14,275	18,209		
4	Profit before exceptional items and tax (A-B)	336	472	650	976	1,496	2,047	341	283	512	812	1,113	1,524		
5	Less: Exceptional items- expenses/(income) [Refer note 10]	112	85	-	292	-	348	112	85	-	292	-	348		
6	Profit / (Loss) before tax (4-5)	224	387	650	684	1,496	1,699	229	197	512	520	1,113	1,176		
7	Tax Expense														
	1. Current tax	(88)	(135)	(154)	(245)	(372)	(484)	(88)	(135)	(154)	(245)	(372)	(484)		
	2. Deferred tax #	4	0	(11)	5	51	45	10	11	(11)	23	51	45		
	3. Income tax and deferred tax of earlier years (net)	(4)	(1)	7	(5)	28	28	(4)	(1)	7	(5)	28	28		
8	Profit (Loss) for the period from continuing operations (6-7)	136	251	492	439	1,203	1,288	147	72	354	293	820	766		
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 before non-controlling interest (8+11)	136	251	492	439	1,203	1,288	147	72	354	293	820	766		
13	(Less) / Add: allocation to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
14	Profit (Loss) for the period (12-13)	136	251	492	439	1,203	1,288	147	72	354	293	820	766		
15	Other Comprehensive Income (OCI)														
	A (i) Items that will not be reclassified to profit or loss														
	Remeasurement gain/(loss) of net defined benefit liability	(3)	(7)	(11)	(18)	(31)	95	(3)	(7)	(11)	(18)	(31)	95		
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1	2	3	5	8	(24)	1	2	3	5	8	(24)		
	B (i) Items that will be reclassified to profit or loss														
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	(22)	33	11	17	75	(83)		
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-		
	Total of Other Comprehensive Income	(2)	(5)	(8)	(13)	(23)	71	(24)	28	4	4	52	(12)		
16	Total Comprehensive Income for the period (14+15) [Comprising Profit (Loss) and Other Comprehensive Income for the period] attributable to:	134	246	484	426	1,180	1,359	123	100	358	297	872	754		
	(a) To Owners of parent	-	-	-	-	-	-	123	100	358	297	872	754		
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
17	Of the Total Comprehensive Income above, Profit for the period														
	(a) To Owners of parent	-	-	-	-	-	-	147	72	354	293	820	766		
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
18	Of the Total Comprehensive Income above, Other comprehensive income attributable to:														
	(a) To Owners of parent	-	-	-	-	-	-	(24)	28	4	4	52	(12)		
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
19	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		
20	Reserves excluding revaluation reserve	-	-	-	-	-	5,613	-	-	-	-	-	-		
21	Earnings per equity share of Rs. 10/- each (Not annualised)														
	(a) Basic (in Rs.)	0.79	1.45	2.85	2.54	6.97	7.46	0.85	0.42	2.05	1.69	4.75	4.44		
	(b) Diluted (in Rs.)	0.79	1.45	2.85	2.54	6.97	7.46	0.85	0.42	2.05	1.69	4.75	4.44		

For the quarter ended 30th September 2020, amount of deferred tax in standalone financial results is Rs. 0.09 lakhs.



Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December 2020 (Continued)

Notes to financial results:

- 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 12th February 2021, 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 2020.
- The above unaudited 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.
- 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 further provision for impairment of Rs. 112 lakhs in the value of its investment in WOS during the quarter ended 31st December 2020 and Rs. 254 lakhs for the nine months ended 31st December 2020 (quarter ended 30th September 2020 Rs. 85 lakhs, year ended 31st March 2020 Rs. 270 lakhs and quarter ended 31st December 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 matter in their report on the unaudited standalone financial results for the quarter and nine months ended 31st December 2020 and audited results for the year ended 31st March 2020.
- In the year ended 31st March 2020, 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 . 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 quarter ended 31st December 2020, the Company has made additional investment in equity of wholly owned subsidiary i.e. Pradeep Metals Limited Inc., USA amounting to Rs. 162.49 lakhs (USD 220,000) [quarter ended 30th September 2020 Rs. 224.82 lakhs (USD 3,00,000), year ended 31st March 2020 Rs. Nil and quarter ended 31st December 2019 Rs. Nil] and granted loan of Rs. 990.23 lakhs (USD 1,350,000) [quarter ended 30th September 2020 Rs. Nil, year ended 31st March 2020 Rs. Nil and quarter ended 31st December 2019 Rs. Nil].

Subsequent to the quarter ended 31st December 2020, the Company has granted loan of Rs. 401.96 lakhs (USD 550,000) to the WOS and reduced the Corporate Guarantee by USD 12,80,000 in respect of loan taken by WOS.

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

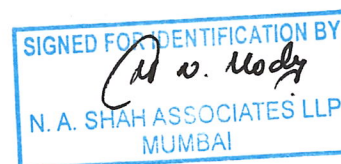
Particulars	(Rs. in lakhs)					
	Quarter ended			Nine months ended		Year ended
	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020
Pradeep Metals Limited Inc., USA (WOS)	214	422	675	985	2,138	2,560
Dimensional Machine Works, LLC (SDS)	24	38	46	80	67	122

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

Particulars	(Rs. in lakhs)											
	Standalone						Consolidated					
	Quarter ended			Nine months ended		Year ended	Quarter ended			Nine months ended		Year ended
	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020
Other Income	62	16	44	99	108	161	62	16	44	99	108	161
Finance cost - Foreign exchange loss (attributable to finance cost)	-	-	(3)	-	(27)	(52)	-	-	(3)	-	(27)	(52)



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Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December 2020 (Continued)

8 (a) Unaudited 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 nine months ended 31st December 2020.

(b) 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 (net of impairment) over the recoverable amount has been accounted as an impairment provision of Rs. 112 lakhs during the quarter ended 31st December 2020 and Rs. 254 lakhs for nine months ended 31st December 2020 (quarter ended 30th September 2020 Rs. 85 lakhs, year ended 31st March 2020 Rs. 270 lakhs and quarter ended 31st December 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 December 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 SDSs 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.

(iii) During the quarter ended 30th June 2020, SDS had received financial support of Rs. 145 lakhs under scheme framed by the US government to assist certain class of companies in USA during the period of COVID-19. Out of the total aid received, amount of Rs. 107 lakhs has been spent as per the government guidelines and balance unspent amount of Rs. 38 lakhs is considered as loan as per US government scheme. Further, income and relevant expenses of Rs. 107 lakhs were considered as exceptional items for the quarter ended 30th June 2020.

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 nine months ended 31st December 2020, quarter ended 30th September 2020 and year ended 31st March 2020.

9 (a) The COVID-19 pandemic has adversely impacted the global economic conditions and its impact still remains uncertain. Considering the demand for Group's products from certain sectors to be sluggish on account of COVID-19, the management is evaluating various alternate sectors to which it can cater to recoup the reduction in sales. The management will continue to closely monitor any material changes to future economic conditions.

(b) Due to nationwide lockdown declared in India, the Company's plant was shut from 22nd March 2020 to 5th April 2020. During this period, there was no production and the Company continued to incur production related expenses. Such expenses due to Government enforced mandatory lockdown has been reclassified as exceptional items. Consequently, expenses amounting to Rs. 39 lakhs for the quarter ended 30th June 2020 and expenses amounting to Rs. 78 lakhs for year ended 31st March 2020 are disclosed as exceptional items.

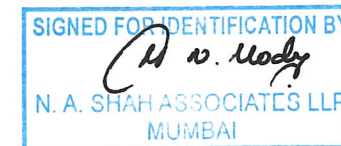
10 Exceptional items- expenses/(income):

Particulars	Standalone						Consolidated					
	Quarter ended			Nine months ended			Quarter ended			Nine months ended		
	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020
Provision for impairment of investment in WOS [Refer para 3]	112	85	-	254	-	270	-	-	-	-	-	-
Provision for impairment of Goodwill in SDS [Refer para 8(b)(i)]	-	-	-	-	-	-	112	85	-	-	-	270
Expenses incurred during the period of lockdown due to COVID-19 [Refer para 9(b)]	-	-	-	38	-	78	-	-	-	-	-	78
Financial support received in SDS [Refer para 8 (b)(iii)]	-	-	-	-	-	-	-	-	-	-	-	107
Expenses incurred against financial support received in SDS [Refer para 8 (b)(iii)]	-	-	-	-	-	-	-	-	-	-	-	(107)
Total	112	85	-	292	-	348	112	85	-	292	-	348

(Rs. in lakhs)



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Notes to financial results (continued):

11 Segment disclosure:


The Group 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			Nine months ended		Year ended	Quarter ended			Nine months ended		Year ended
	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
Segment revenue												
(a) Closed die steel forging and processing	3,447	4,190	4,598	9,779	13,620	17,362	3,883	4,383	5,238	10,917	15,038	19,289
(b) Power generation	32	69	32	158	201	234	32	69	32	158	201	234
Total	3,479	4,259	4,630	9,937	13,821	17,596	3,915	4,452	5,270	11,075	15,239	19,523
Less: Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net sales / income from operations	3,479	4,259	4,630	9,937	13,821	17,596	3,915	4,452	5,270	11,075	15,239	19,523
Segment result												
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income) and after exceptional item as per para 8(b)(iii) and 9 (b)												
(a) Closed die steel forging and processing	384	521	790	1,087	1,880	2,397	384	348	713	1,006	1,601	2,042
(b) Power generation	13	54	12	103	95	152	13	54	12	103	95	152
Total	397	575	802	1,190	1,975	2,549	397	402	725	1,109	1,696	2,194
Less:												
(i) Finance cost	97	84	157	264	478	615	114	107	215	332	596	764
(ii) Other un-allocable expenditure / (income) (net) [net of exceptional item-para 5 and 8(b)(i)]	76	104	(6)	242	1	235	54	98	(2)	257	(13)	254
Profit before tax	224	387	650	684	1,496	1,699	229	197	512	520	1,113	1,176
Capital employed:												
Segment assets												
(a) Closed die steel forging and processing	14,027	13,535	15,100	14,027	15,100	14,065	13,148	13,763	16,601	13,148	16,601	15,053
(b) Power generation	1,229	1,211	1,230	1,229	1,230	1,113	1,229	1,211	1,230	1,229	1,230	1,113
(c) Unallocated	940	858	1,020	940	1,020	736	796	216	238	796	238	309
Total (A)	16,196	15,604	17,350	16,196	17,350	15,914	15,173	15,190	18,069	15,173	18,069	16,475
Segment liabilities												
(a) Closed die steel forging and processing	2,053	2,186	2,306	2,053	2,306	1,879	2,973	3,316	4,814	2,973	4,814	4,472
(b) Power generation	-	-	-	-	-	-	-	-	-	-	-	-
(c) Unallocated	6,377	5,786	7,674	6,377	7,674	6,694	6,995	6,791	7,991	6,995	7,991	7,094
Total (B)	8,430	7,972	9,980	8,430	9,980	8,573	9,968	10,107	12,805	9,968	12,805	11,566
Capital Employed (Segment Assets- Segment Liabilities) (A-B)												
(a) Closed die steel forging and processing	11,974	11,349	12,794	11,974	12,794	12,186	10,175	10,447	11,787	10,175	11,787	10,581
(b) Power generation	1,229	1,211	1,230	1,229	1,230	1,110	1,229	1,211	1,230	1,229	1,230	1,110
(c) Unallocated	(5,437)	(4,928)	(6,654)	(5,437)	(6,654)	(5,958)	(6,199)	(6,576)	(7,753)	(6,199)	(7,753)	(6,785)
Total	7,766	7,632	7,370	7,766	7,370	7,341	5,205	5,082	5,264	5,205	5,264	4,909

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.

SIGNED FOR IDENTIFICATION BY

 N. A. SHAH ASSOCIATES LLP
 MUMBAI

for Pradeep Metals Limited


 Pradeep Goyal
 Chairman and Managing Director
 DIN: 00008370



Mumbai
 Date: 12th February 2021