



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

27<sup>th</sup> May, 2021

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

Dear Sir,

**Sub: Outcome of Board Meeting dated 27<sup>th</sup> May, 2021:**

**Scrip Code: 513532**

This is in continuation to our letter dated 19<sup>th</sup> May, 2021 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 interalia:

**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, 2021 along with Auditors' Reports thereon with unmodified opinions.

**Recommendation of Final Dividend:**

- Recommended Final Dividend of 10% i.e., Re 1 per equity share of Rs.10 each for the financial year ended 31<sup>st</sup> March, 2021.

**Re-appointment of Directors:**

Subject to approval of Members in the forthcoming AGM:

- Re-appointment of Mr. Jayavardhan Dhar Diwan as Independent Director (Non-Executive) for a second term of five years w.e.f. 13<sup>th</sup> May, 2022 subject to approval of members in the forthcoming AGM.
- Re-appointment of Mrs. Neeru Goyal, who retires by rotation, but being eligible, offers herself for reappointment subject to approval of members in the forthcoming AGM.



## **Pradeep Metals Limited**

**Manufacturers of Precision Closed Die Forgings**

### **Alteration in Object Clause of Memorandum of Association:**

- Approved alteration in Object Clause of Memorandum of Association of the Company subject to approval of Members in the forthcoming AGM. Brief details are as below:

The Company is presently engaged in the business of manufacturing and sale of metal forgings and castings, automotive and machinery parts, tools, pipe fittings. In view of prevailing market condition, the Company intends to engage in manufacture and sell of ammunition and other forged and/or machined components to be used in industrial defence and aerospace sector, which may be conveniently and advantageously combined with the existing business of the Company. Hence relevant object clause is proposed to be inserted in the Memorandum of Association.

### **Fixing date of 38<sup>th</sup> Annual General Meeting of Board and Book-closure dates:**

- The 38<sup>th</sup> Annual General Meeting of the Company shall be held on 13<sup>th</sup> August, 2021 at 3.00 p.m.
- The Register of Members and Register of Transfers be closed from 6<sup>th</sup> August, 2021 to 12<sup>th</sup> August, 2021 (both days inclusive).

A copy of the said results, notes thereto and Auditors Report and Cash Flow Statement is enclosed for your records.

The meeting of the Audit Committee/Board of Directors of the Company commenced at 5.00 p.m. and concluded at 9.15 p.m.

Please take the same on record.

For **Pradeep Metals Limited**

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



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

27<sup>th</sup> May, 2021

The Secretary  
BSE limited  
PJ 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**

**Scrip Code: 513532**

I, Pradeep Goyal, Chairman & Managing Director 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, LLP, 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, 2021.

This declaration is given in compliance with Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular DCS/COMP/04/2016-17 dated June 1, 2017.

Kindly take this declaration on your records.

Thanking you,  
Yours truly,

**For and on behalf of  
Pradeep Metals Limited**



**Pradeep Goyal  
Chairman and Managing Director**

Sr.	Particulars	Quarter ended		Standalone		Year ended		Consolidated		Year ended	
		31-Mar-2021 Unaudited (Refer note 10)	31-Dec-2020 Unaudited	31-Mar-2020 Unaudited (Refer note 10)	31-Mar-2021 Audited	31-Mar-2020 Audited	31-Mar-2021 Unaudited (Refer note 10)	31-Mar-2020 Unaudited (Refer note 10)	31-Mar-2021 Unaudited (Refer note 10)	31-Mar-2020 Audited	31-Mar-2021 Audited
1	Income from operations	4,213	3,480	3,804	14,146	17,596	4,529	3,916	4,284	15,600	19,523
2	Other Income	80	75	70	218	233	72	87	61	210	209
		4,293	3,555	3,874	14,364	17,829	4,601	4,003	4,345	15,810	19,732
	(A) Total Income (1+2)										
3	Expenses										
(a)	Cost of materials consumed	1,853	1,324	1,527	5,608	7,974	2,049	1,464	1,581	6,281	8,527
(b)	Changes in inventories of work-in-progress, finished goods and scrap	13	98	(25)	389	(173)	(195)	144	69	203	(57)
(c)	Manufacturing expenses	886	817	817	3,062	3,645	904	852	946	3,199	4,026
(d)	Employee benefits expense	570	559	506	2,088	2,122	596	647	695	2,380	2,889
(e)	Finance costs	118	97	137	382	615	123	114	169	455	764
(f)	Depreciation and amortisation expense	155	132	119	540	498	194	200	185	774	755
(g)	Other expenses	408	192	242	1,028	1,102	350	241	290	1,086	1,305
	(B) Total Expenses	4,003	3,219	3,323	13,098	15,782	4,021	3,682	3,934	14,378	18,209
4	Profit before exceptional items and tax (A-B)	290	336	551	1,266	2,047	580	341	411	1,432	1,524
5	Less: Exceptional items, expenses/(income) (Refer note 12)	16	112	346	308	348	16	112	348	308	348
6	Profit / (Loss) before tax (4-5)	274	224	203	958	1,699	564	230	63	1,124	1,176
7	Tax Expense										
1	Current tax	(107)	(90)	(112)	(356)	(484)	(107)	(90)	(112)	(356)	(484)
2	Deferred tax	16	4	(6)	26	45	22	10	(6)	49	45
3	Income tax of earlier years (net) #	(4)	(4)	0	(9)	28	(4)	(4)	0	(9)	28
8	Profit (Loss) for the period from continuing operations (6-7)	179	135	85	619	1,288	475	146	(55)	808	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)	179	135	85	619	1,288	475	146	(55)	808	766
13	(Less) / Add: allocation to non-controlling interest	-	-	-	-	-	-	-	-	-	-
14	Profit (Loss) for the period (12-13)	179	135	85	619	1,288	475	146	(55)	808	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	55	(3)	126	37	95	55	34	126	37	95
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(14)	1	(32)	(9)	(24)	(14)	1	(32)	(9)	(24)
B (i)	Items that will be reclassified to profit or loss										
	Exchange differences on translation of foreign operations	-	-	-	-	-	13	(22)	(157)	29	(83)
	(ii) Income tax relating to items that will be reclassified to profit or loss	41	(2)	94	28	71	54	(24)	(64)	57	(12)
	Total of Other Comprehensive Income	220	133	179	647	1,359	529	122	(119)	865	755
16	Total Comprehensive Income for the period (14+15) (Comprising Profit (Loss) and Other Comprehensive Income for the period) attributable to:										
(a)	To Owners of parent	-	-	-	-	-	529	122	(119)	865	755
(b)	To Non controlling interest	-	-	-	-	-	-	-	-	-	-
17	Of the Total Comprehensive Income above, Profit for the period attributable to:										
(a)	To Owners of parent	-	-	-	-	-	475	146	(55)	808	766
(b)	To Non controlling interest	-	-	-	-	-	-	-	-	-	-
18	Of the Total Comprehensive Income above, Other comprehensive income attributable to:										
(a)	To Owners of parent	-	-	-	-	-	54	(24)	(64)	57	(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
20	Reserves excluding revaluation reserve	1,04	0,78	0,49	3,58	7,46	2,75	0,85	-0,32	4,68	4,44
21	Earnings per equity share of Rs. 10/- each (Not annualised)	1,04	0,78	0,49	3,58	7,46	2,75	0,85	-0,32	4,68	4,44
	(a) Basic (in Rs.)	1,04	0,78	0,49	3,58	7,46	2,75	0,85	-0,32	4,68	4,44
	(b) Diluted (in Rs.)	1,04	0,78	0,49	3,58	7,46	2,75	0,85	-0,32	4,68	4,44

# For the quarter ended 31st March 2020, amount of Income tax of earlier years in standalone financial results is Rs. 0.20 lakhs.

SIGNED FOR IDENTIFICATION BY

MILAN NAVIN

MODY

N. A. SHAH ASSOCIATES LLP  
 MUMBAI



Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2021 (Continued)  
 Notes to financial results:  
 1 Standalone/ Consolidated Statement of Assets and Liabilities

Particulars	Standalone (Audited)		Consolidated (Audited)	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
(Rs. in lakhs)				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property plant and equipment	4,845	5,139	5,256	5,768
Right of use assets	103	133	136	250
Capital work-in-progress	145	195	145	195
Goodwill	-	-	31	321
Other intangible assets	301	351	301	352
Goodwill on consolidation	-	-	148	148
Financial assets:				
(i) Non current Investments*	803	609	0	0
(ii) Loans	1,828	189	-	-
(iii) Other non-current financial assets	48	51	48	68
Income tax assets (net)	48	87	58	87
Other non-current assets	301	351	487	469
<b>Current assets</b>	<b>8,432</b>	<b>7,105</b>	<b>6,610</b>	<b>7,658</b>
Inventories	2,632	2,952	3,792	4,015
Financial assets				
(i) Trade receivables	4,637	5,379	4,176	4,112
(ii) Cash and cash equivalent	3	3	228	190
(iii) Bank balances other than cash and cash equivalent	28	33	28	33
(iv) Loans	6	7	7	7
(v) Other current financial assets	312	200	296	207
Other current assets	334	238	337	253
	<b>7,952</b>	<b>8,812</b>	<b>8,853</b>	<b>8,817</b>
<b>TOTAL ASSETS</b>	<b>16,384</b>	<b>15,917</b>	<b>15,463</b>	<b>16,475</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,727	1,727	1,727	1,727
Other equity	6,259	5,613	4,047	3,182
<b>TOTAL EQUITY</b>	<b>7,986</b>	<b>7,340</b>	<b>5,774</b>	<b>4,909</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities:				
(i) Borrowings	1,906	1,037	2,382	2,032
(ii) Lease liabilities	39	70	39	107
Provisions	25	27	25	27
Deferred tax liabilities (Net)	387	446	381	446
	<b>2,357</b>	<b>1,580</b>	<b>2,828</b>	<b>2,612</b>
<b>Current liabilities</b>				
Financial liabilities:				
(i) Borrowings	2,297	4,267	2,367	4,952
(ii) Trade payable	23	24	23	24
- Due to micro and small enterprises	1,810	992	1,889	1,176
(iii) Lease liabilities	30	27	66	112
(iv) Other current financial liabilities	1,696	1,454	2,220	2,360
Other current liabilities	45	67	158	163
Provisions	131	163	131	163
Current tax liabilities (net)	7	3	7	3
	<b>5,040</b>	<b>6,997</b>	<b>6,861</b>	<b>8,953</b>
<b>TOTAL LIABILITIES</b>	<b>8,397</b>	<b>8,577</b>	<b>9,689</b>	<b>11,566</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>16,384</b>	<b>15,917</b>	<b>15,463</b>	<b>16,475</b>

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



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**MILAN NAVIN**  
**MODY**  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI

Pradeep Metals Limited is a member of the Pradeep Metals Group of Companies. The Pradeep Metals Group of Companies is a group of companies controlled and managed by N. A. Shah Associates LLP. The Pradeep Metals Group of Companies is a group of companies controlled and managed by N. A. Shah Associates LLP. The Pradeep Metals Group of Companies is a group of companies controlled and managed by N. A. Shah Associates LLP.

Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2021 (Continued)  
 Notes to financial results (continued):

2 Standalone Consolidated Cash Flow Statement for the financial year ended 31st March 2021

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March 2021 (Audited)	Year ended 31st March 2020 (Audited)	Year ended 31st March 2021 (Audited)	Year ended 31st March 2020 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before taxation	958	1,699	1,124	1,176
Adjustments for:				
Depreciation and amortization (net)	546	509	790	766
Allowance for doubtful debts/ other current assets utilized (net)*	3	0	3	0
Allowance for doubtful advance	50	2	50	2
Amount no longer payable written back	24	-	(59)	(110)
Unrealized foreign exchange (gain)/loss (net)	(146)	(56)	(145)	(110)
(Profit)/loss on sale/discard of fixed asset (net)	62	67	62	67
Reduction in Finished goods	-	-	73	76
PPP relief forgiven / utilized	-	270	(211)	-
Impairment of investment/ goodwill (exceptional item)	270	270	270	270
Interest expenses	382	615	455	764
Interest income	(32)	(39)	(2)	(26)
Operating profit before changes in assets and liabilities	1,159	1,368	1,276	1,803
Movements in working capital : (Current and Non-current)	2,117	3,068	2,400	2,980
(Increase) / decrease in other assets and other financial assets	(224)	493	(294)	404
(Increase) / decrease in inventories	320	226	160	136
(Increase) / decrease in trade receivable	748	799	(58)	694
Increase / (decrease) in trade payable, other liabilities, provisions and other financial liabilities	766	(530)	549	(364)
Direct taxes paid (net of return)	3,727	4,056	4,477	950
Net cash generated/ (used) in from operating activities... (A)	(373)	(448)	(373)	(448)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net cash generated/ (used) in from operating activities... (A)	3,354	3,608	2,474	3,481
Purchase of fixed assets (tangible / intangible) (including capital advances and work in progress)	(197)	(637)	(195)	(841)
Sale of fixed asset	-	1	51	1
(Increase)/decrease in other bank balances and non-current assets (Other than cash and cash equivalent)	5	(1)	5	(1)
Investments made in wholly owned subsidiary	(463)	-	-	-
Loan to wholly owned subsidiary	(1,646)	38	2	26
Interest received	19	(619)	(137)	(814)
Adjustment for:				
Less: Direct taxes paid	(2)	(4)	(2)	(4)
Net cash generated / (used) in from investing activities... (B)	(2,284)	(623)	(139)	(818)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net cash generated / (used) in from investing activities... (B)	2,214	316	2,213	316
Proceeds from long term borrowing	(969)	(875)	(1,616)	(1,161)
Repayment of long term borrowing	-	-	281	-
Proceeds from short term borrowing (including government grant towards Paycheck Protection Program)	(36)	(25)	(109)	(103)
Payment of lease liabilities	(1,914)	(1,409)	(2,589)	(223)
Increase/(decrease) in working capital loan (Net)	-	(416)	(465)	(416)
Dividend/ interim dividend paid (including dividend distribution tax)	(365)	(617)	-	(773)
Interest paid	-	-	-	-
Net cash generated / (used) from financing activities... (C)	(1,070)	(3,026)	(2,290)	(2,861)
Net increase / (decrease) in cash and cash equivalents... (A + B + C)	(0)	(41)	38	(198)
Cash and cash equivalents at the beginning of the year	3	44	190	388
Cash and cash equivalents at the end of the year	3	3	228	190
Not increase / (decrease) in cash and cash equivalents	(0)	(41)	38	(198)

\* represent Rs. 0.28 lakh for the year ended 31st March, 2020

SIGNED FOR IDENTIFICATION BY  
 MILAN NAVIN  
 MODY  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI



Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2021 (Continued)

Notes to financial results (Continued):  
 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 27th May 2021. The statutory auditors of the Company have carried out audit of the stand-alone & consolidated financial results for the year ended 31st March, 2021.

2 The above audited 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.

3 In view of accumulated losses incurred by the wholly owned subsidiary (WOS) and step down subsidiary (SDS), 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. 16 lakhs for the quarter ended 31st March 2021, Rs. 112 lakhs for the quarter ended 31st December 2020 and Rs. 270 lakhs for the year ended 31st March 2021 (up to year ended 31st March 2020 Rs. 270 lakhs). 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 audited Standalone financial results for the year ended 31st March 2021 and 31st March 2020.

4 In the year ended 31st March 2020, the Company had decided to exercise the option granted under section 1159AA 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. 67.80 lakhs (reversal of current tax & deferred tax liabilities) was recognized in the tax expense for the year ended 31st March 2020.

5 During quarter ended 31st March 2021, the Company has made additional investment in equity of the wholly owned subsidiary i.e. Pradeep Metals Limited Inc., USA amounting to Nil [quarter ended 31st December 2020: Rs. 162.49 lakhs (USD 220,000), quarter ended 31st March 2020: Nil, year ended 31st March 2021: Rs. 469.32 lakhs (USD 620,000) and year ended 31st March 2020: Nil] and granted loan of Rs. 655.99 lakhs (USD 900,000) for the quarter ended 31st March 2021, Rs. 112 lakhs for the quarter ended 31st December 2020 and Rs. 990.23 lakhs (USD 1,300,000), quarter ended 31st March 2020: Nil, year ended 31st March 2021: Rs. 1,046.21 lakhs (USD 2,250,000) and year ended 31st March 2020: Nil]. During the quarter ended 31st March 2021, Corporate guarantee given by the Company for the loan taken by WOS was reduced by USD 1,280,000.

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

Particulars	Quarter ended		Year ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2021	31-Mar-2020
Pradeep Metals Limited Inc., USA (WOS)	467	214	1,452	2,360
Dimensional Machine Works, LLC (SDS)	18	24	98	122
	485	238	1,550	2,482

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

Particulars	Quarter ended		Year ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2021	31-Mar-2020
Other Income	27	62	126	161
Finance cost - Foreign exchange loss (attributable to finance cost)	(7)	-	(7)	(52)
	20	62	119	109

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 the WOS and the SDS are prepared by the management in compliance with the requirement of Ind AS. Statutory auditors have carried out limited review of the unaudited stand-alone financial results of the WOS and the SDS for the quarter and year ended 31st March 2021.

(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 accumulated 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. 16 lakhs during the quarter ended 31st March 2021 and Rs. 270 lakhs for year ended 31st March 2021 (quarter ended 31st December 2020: Rs. 112 lakhs, year ended 31st March 2020: Rs. 270 lakhs and quarter ended 31st March 2020: Rs. 270 lakhs). This provision is disclosed as exceptional item in consolidated financial results. Management is of the view that expected growth in the demand of 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 2021.

(ii) (a) Aging 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 record is in process.

(iii) During the year, the Company has received financial support of Rs.291 lakhs (USD 394,200) under Paycheck Protection Program (PPP scheme) funded by the US government to assist credit lines of companies in USA during the period of COVID-19. Till 31st March 2021, proceeds received under the scheme amounting to Rs.211 lakhs (USD 286,150) have been utilized by the Company as per the government guidelines. Balance unpaid of Rs.70 lakhs (USD 98,050) has been reported under short-term borrowings as 'Amount received towards Paycheck Protection program' which is expected to be utilized in next financial year. Further, income and relevant expenses of Rs. 21 lakhs (USD 296,150) were considered as exceptional items for the year ended 31st March 2021.

Statutory auditors have drawn reference of the matters covered in para (i) & (ii) above in their report on the consolidated financial results for the year ended 31st March 2021 and year ended 31st March 2020.

9 The Board of Directors has recommended the final dividend of Rs. 1 per Equity share of Rs. 10/- each for the financial year ended 31st March, 2021 in the Board Meeting of the Company held on 27th May, 2021 which is subject to the approval of shareholders in ensuing Annual General Meeting.

10 Figures for the last quarter ended 31st March 2021 and 31st March 2020 are balancing figures between audited figures in respect of the full financial year and published year to date figures upto the 3rd quarter of relevant stand-alone and consolidated financial results.

11 (a) The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the stand-alone and consolidated financial statements. The holding company including its subsidiaries have also adopted measures to curb the spread of infection in order to enable the employees to continue their work with minimal disruption. The management has considered internal and external information while analyzing various exposures and recoverability of assets in relation to its financial statements upto the date of approval of the stand-alone 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 reciprocate 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.

(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 grouped under 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.

12 Exceptional items- expenses/(income):

Particulars	Standalone				Consolidated			
	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020	31-Mar-2020
Provision for impairment of investment in the WOS [Refer para 3]	16	112	270	270	270	16	270	270
Provision for impairment of Goodwill in the SDS [Refer para 6(b)(ii)]	-	-	78	39	78	-	38	78
Expenses incurred during the period of lockdown due to COVID-19 [Refer para 11(b)]	-	-	-	-	-	-	-	-
Financial support received in the SDS [Refer para 8 (b)(iii)]	-	-	-	-	-	107	-	211
Expenses incurred against financial support received in the SDS [Refer para 8 (b)(iii)]	-	-	-	-	-	(107)	-	(211)
<b>Total</b>	<b>16</b>	<b>112</b>	<b>348</b>	<b>308</b>	<b>348</b>	<b>16</b>	<b>308</b>	<b>348</b>

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 MILAN NAVIN  
 MODY  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI



13 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.

(Rs. in lakhs)

Particulars	Standalone			Year ended			Consolidated			
	31-Mar-2021 Unaudited (Refer note 11)	Quarter ended 31-Dec-2020 Unaudited	31-Mar-2020 Unaudited (Refer note 11)	31-Mar-2021 Audited	31-Mar-2020 Audited	31-Mar-2021 Unaudited (Refer note 11)	Quarter ended 31-Dec-2020 Unaudited	31-Mar-2020 Unaudited (Refer note 11)	Year ended 31-Mar-2021 Audited	31-Mar-2020 Audited
<b>Segment revenue</b>										
(a) Closed die steel forging and processing	4,186	3,448	3,770	13,961	17,362	4,502	3,883	4,250	15,415	19,289
(b) Power generation	27	32	34	185	234	27	32	34	185	234
<b>Total</b>	<b>4,213</b>	<b>3,480</b>	<b>3,804</b>	<b>14,146</b>	<b>17,596</b>	<b>4,529</b>	<b>3,916</b>	<b>4,284</b>	<b>15,600</b>	<b>19,523</b>
Less: Intersegment revenue										
<b>Net sales / Income from operations</b>	<b>4,213</b>	<b>3,480</b>	<b>3,804</b>	<b>14,146</b>	<b>17,596</b>	<b>4,529</b>	<b>3,916</b>	<b>4,284</b>	<b>15,600</b>	<b>19,523</b>
<b>Segment result</b>										
Profit / (loss) before tax, finance cost from segment and other un-allocable expenses / (income) and after exceptional item as per para 8(b)(ii) and 9 (b)	441	389	592	1,546	2,397	687	385	484	1,740	2,042
(a) Closed die steel forging and processing	6	13	13	102	152	6	13	13	102	152
(b) Power generation	447	402	605	1,648	2,549	693	398	497	1,842	2,194
<b>Total</b>	<b>447</b>	<b>402</b>	<b>605</b>	<b>1,648</b>	<b>2,549</b>	<b>693</b>	<b>398</b>	<b>497</b>	<b>1,842</b>	<b>2,194</b>
Less:										
(i) Finance cost	118	97	137	382	615	123	114	169	455	764
(ii) Other un-allocable expenditure / (income) (net) [net of exceptional item- para 5 and 8(b)(i)]	55	81	265	308	235	6	54	266	263	254
<b>Profit before tax</b>	<b>274</b>	<b>224</b>	<b>203</b>	<b>958</b>	<b>1,699</b>	<b>564</b>	<b>230</b>	<b>63</b>	<b>1,224</b>	<b>1,176</b>
<b>Capital employed:</b>										
<b>Segment assets</b>										
(a) Closed die steel forging and processing	14,244	14,027	14,065	14,244	14,065	13,972	13,148	15,053	13,972	15,053
(b) Power generation	1,242	1,229	1,113	1,242	1,113	1,242	1,229	1,113	1,242	1,113
(c) Unallocated	897	940	739	897	739	249	795	309	249	309
<b>Total (A)</b>	<b>16,383</b>	<b>16,196</b>	<b>15,917</b>	<b>16,383</b>	<b>15,918</b>	<b>15,463</b>	<b>15,173</b>	<b>16,475</b>	<b>15,463</b>	<b>16,475</b>
<b>Segment liabilities</b>										
(a) Closed die steel forging and processing	2,546	2,053	1,879	2,546	1,879	5,717	2,973	4,472	5,717	4,472
(b) Power generation	5	6,377	-	5	6,697	5	6,995	-	5	7,094
(c) Unallocated	8,397	8,430	8,576	8,397	8,576	9,688	9,968	11,566	9,688	11,566
<b>Total (B)</b>	<b>10,948</b>	<b>16,860</b>	<b>10,465</b>	<b>10,948</b>	<b>16,173</b>	<b>15,410</b>	<b>19,936</b>	<b>16,038</b>	<b>15,410</b>	<b>23,130</b>
<b>Capital Employed (Segment Assets- Segment Liabilities) (A-B)</b>										
(a) Closed die steel forging and processing	11,698	11,974	12,186	11,698	12,186	8,255	10,175	10,581	8,255	10,581
(b) Power generation	1,237	1,229	1,113	1,237	1,113	1,237	1,229	1,113	1,237	1,113
(c) Unallocated	(4,949)	(5,437)	(5,958)	(4,949)	(5,958)	(3,717)	(6,199)	(6,785)	(3,717)	(6,785)
<b>Total</b>	<b>7,986</b>	<b>7,766</b>	<b>7,341</b>	<b>7,986</b>	<b>7,341</b>	<b>5,775</b>	<b>5,205</b>	<b>4,909</b>	<b>5,775</b>	<b>4,909</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.

SIGNED FOR IDENTIFICATION BY

MILAN NAVIN  
MODY

N. A. SHAH ASSOCIATES LLP  
MUMBAI

for Pradeep Metals Limited

Pradeep Goyal  
Chairman and Managing Director  
DIN: 00008370

Mumbai  
Date: 27th May 2021



**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 2021, 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').

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 2021

**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 3 of the notes to financial results. In view of accumulated 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 for the year ended 31<sup>st</sup> March 2021 (aggregate impairment provision upto 31<sup>st</sup> March 2021 is Rs.540 lakhs). 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. This matter was also reported under 'Emphasis of matter' paragraph in our reports for earlier quarters of current year and for the year ended 31<sup>st</sup> March 2020.

Our opinion is not modified in respect of above matter. Our opinion was not modified in earlier quarters and previous year also.



**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.

The statement includes the results for the quarter ended 31st March, 2021 being the derived figures between the audited figures in respect of the full financial year ended 31st March, 2021 and the published unaudited year-to-date figures up to 31st December, 2020, being the date of the end of the third quarter of the financial year, which were subjected to a limited review.

**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



**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 2021**

**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 2021, 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).

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, 2021.

**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.

**Emphasis of matter**

Reference is invited to note 8 of the statement. In respect of SDS:

a) The management has carried out impairment assessment in respect of goodwill and tangible assets considering the accumulated 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 impairment provision of Rs. 270 lakhs for year ended 31<sup>st</sup> March 2021 (aggregate impairment provision upto 31<sup>st</sup> March 2021 is Rs. 540 lakhs). Management is of the view that expected growth in the demand of the



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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 2021.

- 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 matters in paragraph (a) and (b) above, were reported in our report for earlier quarters of current year and for the year ended 31<sup>st</sup> March, 2020. 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.

The statement includes the results for the quarter ended 31<sup>st</sup> March, 2021 being the derived figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March, 2021 and the published unaudited year-to-date figures up to 31<sup>st</sup> December, 2020, being the date of the end of the third quarter of the financial year, which were subjected to a limited review.

**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



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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.

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.

  
**N. A. SHAH ASSOCIATES LLP**  
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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 2021 included in the consolidated statement, whose financial statements reflect total assets of Rs. 7,197 lakhs as at 31<sup>st</sup> March 2021, total revenues (including other income) of Rs. 1,016 lakhs and Rs. 3,503 lakhs and share of total profit / (loss) after tax amounting to Rs. 228 lakhs and Rs. (317) lakhs for the quarter and year ended 31<sup>st</sup> March, 2021 respectively, and net cash inflow of Rs. 46 lakhs for the year ended 31<sup>st</sup> March, 2021, 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 2021. 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

MILAN NAVIN  
MODY

Digitally signed by MILAN NAVIN MODY  
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o=Chartered Accountants,  
ou=116560W / W100149,  
c=IN  
Date: 2021.05.27 20:30:26 +05'30'

**Milan Mody**

Partner

Membership number: 103286

UDIN: 21103286AAAACQ9779

Place: Mumbai

Date: 27<sup>th</sup> May, 2021