



# Pradeep Metals Limited

## Manufacturers of Precision Closed Die Forgings

15<sup>th</sup> May, 2019

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

Dear Sir,

**Sub: Outcome of Board Meeting dated 15<sup>th</sup> May, 2019**

**Scrip Code: 513532**

This is in continuation to our letter dated 7<sup>th</sup> May, 2019 and pursuant to Regulation 33, 30 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We wish to state that the Board of Directors of the Company in its meeting held today has interalia:

1. Approved the Audited Financial Results of the Company on Standalone and Consolidated basis for the quarter/year ended 31<sup>st</sup> March, 2019.
2. 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, 2019.
3. Auditors' Reports with unmodified opinions on Audited Financial Results - Standalone and Consolidated.
4. Appointment of Ms. Nandita Vohra as Independent Director of Company for a period from Conclusion of 36<sup>th</sup> AGM upto 27<sup>th</sup> December, 2023 subject to approval of members in the forthcoming AGM.
5. Re-appointment of Mr. Suresh Vaidya as Independent Director who has already attained age of 75 years, as Non-Executive Independent Director for second term from conclusion of 36<sup>th</sup> AGM upto 41<sup>st</sup> AGM subject to approval of members in the forthcoming AGM.
6. 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.
7. Appointment of M/s Shweta Gokarn & Co, Company Secretaries as Secretarial Auditor for year 2019-2020.
8. Appointment of MGB & Co, LLP as Internal Auditors for year 2019-2020.
9. Approved AGM Notice, Board's Report and Corporate Governance Report of the Company.
10. Annual General Meeting of the company to be held on 10<sup>th</sup> August, 2019.

A copy of the said results, notes thereto and Auditors Report along with Related party statement (consolidated) is enclosed for your records.

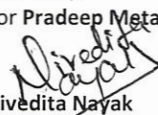
The meeting of the Audit Committee/Board of Directors of the Company commenced at 12.30 p.m. and concluded at 4.15 p.m.

Please take the above information on record.

Thanking you,

Yours Truly,

For Pradeep Metals Limited

  
Nivedita Nayak  
Company Secretary  
FCS: 8479

Encl: as above



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

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

**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

**1. Report on quarterly and year to date standalone financial results**

We have audited the accompanying Statement of Standalone Financial Results ("the Statement") of Pradeep Metals Limited ("the Company") for the quarter and year ended 31<sup>st</sup> March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, which has been initialed by us for identification purpose.

The Statement includes the results for the quarter ended 31<sup>st</sup> March, 2019 being the derived figures between the audited figures in respect of the current full financial year ended 31<sup>st</sup> March, 2019 and the published unaudited year-to-date figures upto 31<sup>st</sup> December, 2018, being the date of the end of the third quarter of the financial year, which were subjected to a limited review.

**2. Management's responsibility for the Statement**

These quarterly and year to date standalone financial results is the responsibility of the Company's management and has been approved by the board of directors. The Statement have been prepared on the basis of annual standalone financial statements in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

**3. Auditor's responsibility**

Our responsibility is to express an opinion on the Statement based on our audit of annual standalone financial statements.

We conducted our audit in accordance with the standard on auditing generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Statement.

We believe that our audit provides a reasonable basis for our opinion.



**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us this Statement:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July 2016 in this regard; and
- ii. gives a true and fair view of the standalone net profit (including other comprehensive income) and other financial information for the year ended 31st March, 2019.

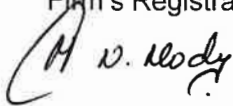
**5. Emphasis of matter**

Reference is invited to note 5 of the notes to the financial results. We are informed that in view of settlement of legal dispute in Step Down Subsidiary (SDS) of Wholly Owned Subsidiary (WOS) in previous year, improved operational performance of WOS during the current financial year and management's expectation of further revival in the demand for the products in which WOS and SDS are dealing would enable WOS and SDS to recoup the accumulated losses. Considering the above and based on management opinion, no provision for loan granted and diminution in the value of investment in WOS is required.

In respect of above, attention was drawn in our limited review report for three quarters of financial year 2018-19 and our report for all the quarters and year ended 31<sup>st</sup> March 2018. It was also reported under Emphasis of Matter paragraph in the Independent auditors report issued by us under the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2018.

Our opinion is not modified in respect of above matter. Our conclusion / opinion was also not modified in respect of above matter in earlier quarters & previous financial year.

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm's Registration No. 116560WW/100149



**Milan Mody**  
Partner  
Membership number: 103286  
Place: Mumbai  
Date: 15 MAY 2019



**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

**1. Report on consolidated financial results**

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 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, which has been initialed by us for identification purpose.

**2. Management's responsibility for the Statement**

These consolidated financial results are the responsibility of the Company's management. This Statement have been prepared on the basis of annual consolidated financial statements in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

**3. Auditor's responsibility**

Our responsibility is to express an opinion on the Statement based on our audit of annual consolidated financial statements.

We conducted our audit in accordance with the standard on auditing generally accepted in India. Those Standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depends upon the auditor's judgment, including the assessment of the risks of material misstatements in the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Statement.

We believe that our audit provides a reasonable basis for our opinion.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us this Statement:

- i. includes annual unaudited financial results of Pradeep Metals Limited, Inc. (Wholly Owned Subsidiary) (WOS) and Dimensional Machine Works LLP (Step Down Subsidiary) (SDS);
- ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July 2016 in this regard; and

  
**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

- iii. gives a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information for the year ended 31st March, 2019.

**5. Emphasis of matter**

Reference is invited to note 9(b) of the Statement. In respect of Step Down Subsidiary (SDS);

- a) Management is of the view that expected growth in the demand of the SDSs products will generate sufficient cash flows to cover the carrying value of the tangible assets and goodwill. In view of the above, in the opinion of the management, no provision for impairment loss of assets of SDS is considered necessary;
- b) 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 and hence no provision is considered necessary. We have relied on the management for the demand estimate and expected price realization.

Our opinion is not qualified in the above matters.

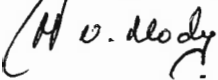
**6. Other Matters**

We did not audit the financial statements of WOS and SDS for the year ended 31<sup>st</sup> March 2019 included in the consolidated statement, whose financial statements reflect total assets of Rs. 3,637.51 lakhs as at 31<sup>st</sup> March 2019, total revenues of Rs. 4,519.76 lakhs and net cash flows aggregating to Rs. 206.55 lakhs. We have carried out limited review of the standalone financial statements of WOS and SDS for the year ended 31<sup>st</sup> March 2019. The unaudited financial statements 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 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 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. 110500W/W100119



**Milan Mody**

Partner

Membership number: 103286

Place: Mumbai

Date: 15 MAY 2019



**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

**1. Report on quarterly and year to date standalone financial results**

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We conducted our audit in accordance with the standard on auditing generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

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We believe that our audit provides a reasonable basis for our opinion.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

## 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us this Statement:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July 2016 in this regard; and
- ii. gives a true and fair view of the standalone net profit (including other comprehensive income) and other financial information for the year ended 31st March, 2019.

## 5. Emphasis of matter

Reference is invited to note 5 of the notes to the financial results. We are informed that in view of settlement of legal dispute in Step Down Subsidiary (SDS) of Wholly Owned Subsidiary (WOS) in previous year, improved operational performance of WOS during the current financial year and management's expectation of further revival in the demand for the products in which WOS and SDS are dealing would enable WOS and SDS to recoup the accumulated losses. Considering the above and based on management opinion, no provision for loan granted and diminution in the value of investment in WOS is required.

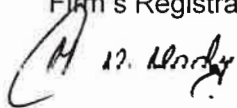
In respect of above, attention was drawn in our limited review report for three quarters of financial year 2018-19 and our report for all the quarters and year ended 31<sup>st</sup> March 2018. It was also reported under Emphasis of Matter paragraph in the Independent auditors report issued by us under the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2018.

Our opinion is not modified in respect of above matter. Our conclusion / opinion was also not modified in respect of above matter in earlier quarters & previous financial year.

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

Chartered Accountants

Firm's Registration No. 116560WW100149



**Milan Mody**

Partner

Membership number: 103286

Place: Mumbai

Date:





Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2019

Sr. No.	Particulars	Standalone			Consolidated			
		Quarter ended		Year ended		Year ended		
		31-Mar-2019 Unaudited (Refer note 13)	31-Dec-2018 Unaudited	31-Mar-2018 Unaudited (Refer note 10)	31-Mar-2019 Audited	31-Mar-2018 Audited	31-Mar-2018 Audited	
1	Income from operations	₹ 503	4,417	4,038	17,480	14,281	19,145	16,293
2	Other income	50	77	65	130	270	107	245
3	<b>(A) Total Income (1+2)</b>	<b>₹ 553</b>	<b>4,494</b>	<b>4,103</b>	<b>17,610</b>	<b>14,551</b>	<b>19,252</b>	<b>16,538</b>
(a)	Expenses	₹ 229	2,052	1,861	8,233	6,534	8,171	6,663
(b)	Cost of materials consumed	(30)	78	(97)	(161)	(149)	(185)	(206)
(c)	Purchases of stock-in-trade	-	-	-	-	-	-	-
(d)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-	-
(e)	Excise duty	-	-	-	-	-	-	-
(f)	Employee benefits expense	508	490	429	1,980	1,770	2,675	2,555
(g)	Finance costs	158	159	191	693	621	821	721
(h)	Depreciation and amortisation expense	113	111	108	444	416	626	582
(i)	Manufacturing expenses	579	867	818	3,527	2,917	4,012	3,785
(j)	Other expenses	264	270	446	1,216	1,178	1,714	1,540
4	<b>(B) Total Expenses</b>	<b>₹ 241</b>	<b>4,027</b>	<b>3,756</b>	<b>15,932</b>	<b>13,378</b>	<b>17,834</b>	<b>15,732</b>
5	Profit before exceptional items and tax (A-B)	412	467	347	1,678	1,173	1,418	806
6	Less: Exceptional items	-	-	-	-	-	-	-
7	Profit / (Loss) before tax (4-5)	412	467	347	1,678	1,173	1,418	806
8	Tax Expense	(15)	(140)	(81)	(490)	(423)	(490)	(423)
9	1. Current tax	(4)	1	(19)	(2)	78	(2)	79
10	2. Deferred tax	(1)	-	(8)	8	(9)	8	(9)
11	3. Income tax, deferred tax and MAT credit of earlier years (net)	251	328	239	1,194	819	934	453
12	Profit (Loss) for the year from continuing operations (6-7)	-	-	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-	-	-
14	Profit (Loss) from discontinuing operations (after tax) (9-10)	-	-	-	-	-	-	-
15	Profit (Loss) for the year (8+11)	251	328	239	1,194	819	934	453
16	Other Comprehensive Income (OCI)	(23)	(3)	17	(39)	(12)	(39)	(12)
17	A (i) Items that will not be reclassified to profit or loss	3	1	(6)	11	4	11	4
18	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-
19	Exchange differences on translation of foreign operations	-	-	-	-	-	(123)	70
20	(ii) Income tax relating to items that will be reclassified to profit or loss	(20)	(2)	11	(28)	(8)	(151)	62
21	Total of Other Comprehensive Income	271	326	250	1,166	811	783	514
22	Total Comprehensive Income for the year (12+13) [Comprising Profit (Loss) and Other Comprehensive Income for the year] attributable to:	-	-	-	-	-	-	-
23	(a) To Owners of parent	-	-	-	-	-	-	-
24	(b) To Non controlling interest	-	-	-	-	-	-	-
25	Of the Total Comprehensive Income above, Profit for the year attributable to:	-	-	-	-	-	-	-
26	(a) To Owners of parent	-	-	-	-	-	-	-
27	(b) To Non controlling interest	-	-	-	-	-	-	-
28	Of the Total Comprehensive Income above, Other comprehensive income attributable to:	-	-	-	-	-	-	-
29	(a) To Owners of parent	-	-	-	-	-	-	-
30	(b) To Non controlling interest	-	-	-	-	-	-	-
31	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
32	Reserves excluding revaluation reserve	-	-	-	4,671	3,505	2,955	2,197
33	Earnings per equity share of Rs. 10/- each (Not annualised)	-	-	-	-	-	-	-
34	(a) Basic (in Rs.)	₹ 69	1,90	1,38	6,91	4,74	5,41	2,62
35	(b) Diluted (in Rs.)	₹ 69	1,90	1,38	6,91	4,74	5,41	2,62

*Mr.*

SIGNED FOR VERIFICATION BY  
*A. D. Nedy*  
 N. A. SHARASSOC IATES LLP  
 MUMBAI



Statement of standalone & consolidated financial results for the quarter and year ended 31st March 2019 (Continued)  
 Standalone/ Consolidated Statement of Assets and Liabilities

Particulars	Standalone Audited		Consolidated Audited	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property plant and equipment	4,725	4,725	5,385	5,552
Capital work-in-progress	69	26	663	26
Goodwill	-	-	513	460
Other intangible assets	58	67	63	73
Intangible assets under development	462	286	432	286
Goodwill on consolidation	-	-	143	148
Investment in subsidiary	69	879	-	-
Financial assets:				
(i) Investments - Others*	0	0	0	0
(ii) Loans	3	231	-	3
(iii) Other non-current financial assets	35	51	62	71
Income tax assets (net)	18	175	173	175
Other non-current assets	35	401	363	404
<b>Current assets</b>	<b>7,581</b>	<b>7,832</b>	<b>7,832</b>	<b>7,198</b>
Inventories	3,178	2,765	4,254	3,812
Financial assets	5,518	4,821	4,526	4,224
(i) Trade receivable	14	120	363	162
(ii) Cash and cash equivalent	32	38	32	36
(iii) Bank balances other than cash and cash equivalent	6	10	10	10
(iv) Loans	642	674	674	650
(v) Other current financial assets	27	296	268	288
Other current assets	10,054	8,652	10,170	9,221
<b>TOTAL ASSETS</b>	<b>17,579</b>	<b>15,523</b>	<b>18,002</b>	<b>16,419</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,727	1,727	1,727	1,727
Other equity	4,671	3,505	2,955	2,197
<b>TOTAL EQUITY</b>	<b>6,398</b>	<b>5,232</b>	<b>4,682</b>	<b>3,924</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities:				
Borrowings	1,528	1,655	3,022	3,535
Provisions	4	39	74	39
Deferred tax liabilities (Net of deferred tax asset & MAT credit)	461	472	461	472
	<b>2,093</b>	<b>2,166</b>	<b>3,557</b>	<b>4,046</b>
Government grant pending appropriation to statement of profit & loss	214	214	214	214
<b>Current liabilities</b>				
Financial liabilities:				
(i) Borrowings	5,524	4,823	5,524	4,823
(ii) Trade payable	36	0	36	0
- Due to micro and small enterprises**	1,284	1,398	1,746	1,575
- Due other than to micro and small enterprises	1,460	1,248	1,940	1,584
(iii) Other current financial liabilities	42	42	42	42
Other current liabilities	232	170	201	171
Provisions	30	30	60	30
Current tax liabilities (net)	5,124	7,771	5,549	8,235
<b>TOTAL LIABILITIES</b>	<b>11,181</b>	<b>10,291</b>	<b>13,320</b>	<b>12,495</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>17,579</b>	<b>15,523</b>	<b>18,002</b>	<b>16,419</b>

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

\*\* represents amount payable of Rs. 0.50 lakh as on 31st March 2019 (Rs. 0.50 lakh as on 31st March 2018)

*Signature*

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 2019 (Continued)

- Notes to financial results (continued):
- The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 15th May 2019.
  - 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 including Ind AS 115 'Revenue from Contracts with Customers' effective from 1st April 2018. The figures for the previous period have been regrouped and reclassified wherever required.
  - During the quarter and year ended 31st March 2019, quarter ended 31st December 2018 and quarter ended 31st March 2018, loan granted to Wholly Owned Subsidiary (WOS) and corporate guarantee issued for loans taken by WOS is Rs. Nil. For the year ended 31st March 2018, loan granted to WOS was Rs. 55 lakhs and corporate guarantee issued for loan taken by WOS was Rs. 783 lakhs (USD 12 lakhs). During the quarter ended 31st December 2018 and year ended 31st March 2019, USD 1 lakh has been refunded by WOS.
  - In view of the settlement of dispute with the erstwhile JV Partner of the Step-Down Subsidiary (SDS) of the Company during the quarter ended 30th September 2017, improved performance of the Wholly Owned Subsidiary (WOS) and revival of the demand for the products in which WOS and SDS deal into and considering that the investment made in WOS is of strategic nature, in the opinion of management, no provision for diminution in the value of investment made in and loan given to WOS is required as at 31st March 2019 in standalone financial results. The statutory auditors have drawn reference of the above matter in their report on the audited standalone financial results for the quarter and year ended 31st March 2019 and reference was also drawn in their limited review report for earlier quarters of current year and in the report of previous year's quarters and year ended 31st March 2018.
  - Revenue from operations for the period reported upto 30th June 2017 were inclusive of excise duty, which was discontinued effective 1st July 2017 on implementation of Goods & Service Tax ('GST') in India. As per Ind AS, the revenue is reported net of GST after 30th June 2017. Accordingly, the revenue from operations for the year ended 31st March 2019 are not comparable to the year ended 31st March 2018.
  - Export sales in standalone results include sales made to WOS of the Company in USA as given below:

Particulars	(Rs. in lakhs)			
	31-Mar-2019	31-Dec-2018	31-Mar-2018	31-Mar-2018
Pradeep Metals Limited Inc., USA	21	564	805	1924
			2,846	

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

Particulars	(Rs. in lakhs)			
	Quarter ended		Year ended	
	31-Mar-2019	31-Dec-2018	31-Mar-2019	31-Mar-2018
Other income	22	51	46	214
Other Expenses	-	-	-	46
Finance cost - Foreign exchange loss (attributable to finance cost)	21	-	(81)	(81)
				(62)

- Consolidated financial statements / results are prepared in accordance with IND AS 110 'consolidated financial statements' and includes financial results in respect of:
  - Unaudited financials of Pradeep Metals Limited, Inc. (WOS) for the year ended 31st March 2019
  - Unaudited financials of Dimensional Machine Works LLC (SDS), wholly owned subsidiary of WOS for the year ended 31st March 2019
 The above unaudited financial statements 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 statements of WOS and SDS.
- In respect of Step Down Subsidiary (SDS),
  - management is of the view that expected growth in the demand of the SDS's products will generate sufficient cash flows to cover the carrying value of the tangible assets and goodwill. In view of the above, in the opinion of the management, no provision for impairment loss of assets of SDS is considered necessary.
  - Ageing of slow/non-moving items of inventories is not available from the system. Management is of the view that there is demand for the SDS's products and inventories have realizable value greater than cost and hence no provision is considered necessary by the management.
 Statutory auditors have drawn reference of the above matters in their report on the consolidated financial results for the year ended 31st March 2019.
- The Board of directors has recommended a final dividend of Re. 1 per equity share of Rs. 10/- for financial year 2018-19. The payment is subject to approval of shareholders at the Annual general meeting of the Company (in quarter ended 31st December 2018 Rs. Nil, quarter and year ended 31st March 2019 Rs. Nil)
- Figures for the March quarters 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 financial year.



*(Signature)*

## Statement of standalone &amp; consolidated financial results for the quarter and year ended 31st March 2019 (Continued)

## Notes to financial results (continued):

## Segment disclosure:

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

Particulars	Standalone				Consolidated	
	Quarter ended		Year ended		Year ended	
	31-Mar-2019 Unaudited (Refer note 10)	31-Dec-2018 Unaudited	31-Mar-2018 Unaudited (Refer note 10)	31-Mar-2019 Audited	31-Mar-2018 Audited	31-Mar-2018 Audited
<b>Segment revenue</b>						
(a) Closed die steel forging and processing	4,578	4,380	4,011	17,264	14,099	18,929
(b) Power generation	25	37	27	216	182	216
<b>Total</b>	<b>4,603</b>	<b>4,417</b>	<b>4,038</b>	<b>17,480</b>	<b>14,281</b>	<b>19,145</b>
Less: Intersegment revenue	-	-	-	-	-	-
<b>Net sales / income from operations</b>	<b>4,603</b>	<b>4,417</b>	<b>4,038</b>	<b>17,480</b>	<b>14,281</b>	<b>19,145</b>
<b>Segment result</b>						
Profit / (loss) before tax, finance cost from segment and other unallocable expenses / (income)	573	473	655	2,557	1,804	2,280
(a) Closed die steel forging and processing	5	16	7	118	102	118
(b) Power generation	578	489	662	2,675	1,906	2,398
<b>Total</b>	<b>158</b>	<b>159</b>	<b>191</b>	<b>693</b>	<b>621</b>	<b>821</b>
Less:	7	(137)	124	303	111	159
(i) Finance cost						
(ii) Other un-allocable expenditure / (income)(net)	412	487	347	1,678	1,173	1,418
<b>Profit before tax</b>						
<b>Capital employed:</b>						
<b>Segment assets</b>						
(a) Closed die steel forging and processing	15,232	14,890	13,044	15,232	13,044	15,033
(b) Power generation	1,457	1,296	1,261	1,197	1,261	1,261
(c) Unallocated	1,150	1,120	1,218	1,150	1,218	1,407
<b>Total (A)</b>	<b>17,839</b>	<b>17,306</b>	<b>15,523</b>	<b>17,579</b>	<b>15,523</b>	<b>18,002</b>
<b>Segment liabilities</b>						
(a) Closed die steel forging and processing	2,562	2,455	2,122	2,562	2,122	2,953
(b) Power generation	-	-	23	-	23	-
(c) Unallocated*	8,619	8,724	8,146	8,619	8,146	10,367
<b>Total (B)</b>	<b>11,181</b>	<b>11,179</b>	<b>10,291</b>	<b>11,181</b>	<b>10,291</b>	<b>13,320</b>
<b>Capital Employed (Segment Assets- Segment Liabilities) (A-B)</b>						
(a) Closed die steel forging and processing	12,670	12,435	10,922	12,670	10,922	12,080
(b) Power generation	1,457	1,296	1,238	1,197	1,238	1,261
(c) Unallocated	(7,469)	(7,604)	(6,928)	(7,469)	(6,928)	(9,595)
<b>Total</b>	<b>6,658</b>	<b>6,127</b>	<b>5,232</b>	<b>6,398</b>	<b>5,232</b>	<b>4,882</b>

\*Note: it includes government grant received of Rs. 214.00 lakhs pending appropriation to statement of Profit &amp; Loss

## Business segment:

Based on the "management approach" as defined in IND AS 108 - Operating Segments, the Chief Operating decision maker evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented on a segment basis. 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  
Chairman and Managing Director

DIN: 00008370

Mumbai



# Pradeep Metals Limited

## Manufacturers of Precision Closed Die Forgings

15<sup>th</sup> May, 2019

**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 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, LLP, 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, 2019.

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 Ojha  
Chief Financial Officer  
Place: Navi Mumbai  
Encl: as above



Related party transactions

(Rupees in lakhs)

Name of the related party	Nature of the Transaction	Year ended 31st March 2019	Year ended 31st March 2018
Dhanlabh Engineering Works Private Limited	Labour charges paid	74.66	65.16
	Purchase	-	-
	Sales	9.39	0.92
	Rent expenses	30.54	29.27
	Electricity charges (Reimbursement)	16.91	17.81
Pradeep Metals Limited Inc., USA, 100% subsidiary	Sales	2,846.15	1,923.80
	Guarantee commission recovered	18.34	15.48
	Loan given/ (received back)	(55.22)	228.11
	Interest on loan received	14.73	9.91
	Investment made	-	-
	Corporate guarantee given/ Security Provided #	-	782.10
Dimensional Machine Works LLC, Pradeep Metals Inc, USA 100% step down subsidiary	Purchase of Capital Goods	230.59	-
Ultima Search	Purchase	0.62	-
Hind Rectifiers Ltd	Purchase of Capital Goods	18.88	-
Abhinav Goyal	Salary paid	38.85	30.70
Neha Goyal	Salary paid	26.89	-
Neeru Goyal	Sitting fees paid	1.50	0.40
Pradeep Goyal	Managerial remuneration	109.40	84.40

\* Does not include gratuity and leave encashment since the same is considered for all employees (including the above KMPs) of the Company as a whole and also does not include reimbursement of expenses.

Balance outstanding as at the year end

(Rupees in lakhs)

Name of the related party	Nature of outstanding	As at 31st March 2019	As at 31st March 2018
Pradeep Metals Limited Inc., USA	Trade receivable	2,212.04	1,598.83
	Guarantee commission recoverable	1.45	6.03
	Custom Duty Recoverable	14.85	-
	Loan given	172.89	228.11
	Interest on loan receivable	1.00	4.14
	Investment	879.10	879.10
	Corporate guarantee/ security provided outstanding #	2,212.96	2,085.60
Dimensional Machine Works LLC	Trade payable	1.91	-
Ultima Search	Trade payable	0.15	-
Hind Rectifiers Limited	Trade payable	-	-
Dhanlabh Engineering Works Private Limited	Trade payable	6.58	15.46
	Trade receivable	-	-
Pradeep Goyal	Managerial remuneration payable	28.90	3.90

#Converted in INR at exchange rate of year end i.e. Rs. 69.155 (31st March 2018: Rs. 65.175)

For Pradeep Metals Ltd

*(Signature)*  
 Authorised Signatory

