



Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

PML/SE/2016-17/10

August 6, 2016

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

Dear Sir / Madam,

Sub: Outcome of Meeting of Board of Directors.
Scrip Code: 513532

This is in continuation to our letter bearing ref. no. PML/SE/2016-17/08 dated July 29, 2016 and pursuant to Regulation 33 and other applicable regulations, if any, of the SEBI (LODR) Regulations, 2015. We wish to state that the Board of Directors of the Company in its meeting held today, has considered and approved the following:

1. The Unaudited Financial Results for the quarter ended 30th June, 2016 along with the Limited Review Report thereon attached herewith;
2. Notice of Annual General Meeting for FY 2015-16 to be held on September 29, 2016;
3. Board's Report for the FY 2015-16.

Please take the above information on record.

Thanking you,

Yours Truly,
For Pradeep Metals Limited

Suchita Singh
Company Secretary
A43837

Encl.: as above

Pradeep Metals Limited
CIN: L99999MH1982PLC026191

Registered Office : R-205, T.T.C. Ind. Area, MIDC, Rabale, Navi Mumbai 400701

Email id : investors@pradeepmetals.com, Website : pradeepmetals.com, Contact no : +91-022-2769 1026, Fax : +91-022-2769-1123

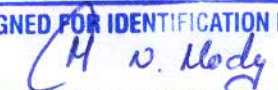
Statement of unaudited financial results for the quarter ended 30th June 2016

(Rs. in lakhs)

Sr. No.	Particulars	Standalone			
		Quarter ended		Year Ended	
		30-Jun-2016	31-Mar-2016	30-Jun-2015	31-Mar-2016
		Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations				
(a)	Net sales/income from operations (Net of excise duty)	2,259	2,926	2,422	10,637
	Domestic	782	870	794	3,284
	Exports	1,477	2,056	1,628	7,353
(b)	Other operating income	286	365	310	1,272
	Total Income from Operations (net)	2,545	3,291	2,732	11,909
2	Expenses				
(a)	Cost of materials consumed	1,084	1,340	1,385	5,407
(b)	Purchases of stock-in-trade	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4)	324	(201)	216
(d)	Employee benefits expense	406	430	375	1,584
(e)	Depreciation and amortisation expense	45	130	71	370
(f)	Manufacturing expenses	577	694	561	2,496
(g)	Other expenses	194	202	192	822
	Total Expenses	2,302	3,121	2,383	10,895
3	Profit/(Loss) from operations before other income, finance costs and exceptional	243	170	349	1,014
4	Other income	36	53	26	175
5	Profit/(Loss) from ordinary activities before finance costs, exceptional items and	279	223	375	1,189
6	Finance costs	178	141	169	676
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional	101	82	205	513
8	Exceptional items	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7-8)	101	82	205	513
10	Tax Expense	36	11	53	138
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	65	71	152	375
12	Extraordinary items (net of tax expenses)	-	-	-	-
13	Net profit (11-12)	65	71	152	375
14	Paid-up equity share Capital (Face Value of Rs. 10/- per Share)	1,726	1,726	1,726	1,726
15	Reserve excluding Revaluation Reserves				2,212
16	Earnings per share of Rs. 10/- (before and after extraordinary items)				
	(Not annualised):				
(a)	Basic	0.37	0.41	0.88	2.17
(b)	Diluted	0.37	0.41	0.88	2.17

Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board at its meeting held on 6th August 2016. The Statutory auditors have carried out a limited review of above results.
- Other operating income (Sr.no. 1(b)) includes revenue of Rs. 74.14 lacs for the current quarter (for the quarter ended 31st March 2016 Rs. 39.08 lacs, for the quarter ended 30th June 2015 Rs. 50.97 lacs, for year ended 31st March 2016 Rs. 216.00 lacs) from sale of power generated from windmill to Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). Pending execution of power purchase agreement ('PPA'), revenue has been recognised based on the provisional rate as prescribed in the Order of Maharashtra Electricity Regulatory Commission ('MERC') and in view of management, no uncertainty exist for the amount recorded as receivable from sale of power. The statutory auditor has also drawn reference of this matter in their limited review report on the unaudited financial results for the quarter ended 30th June 2016.
- During the current quarter, investment made in wholly owned subsidiary Pradeep Metals Limited Inc., USA is aggregating to Rs. Nil (for the quarter ended 31st March 2016 - Rs. Nil, for the quarter ended 30th June 2015 - Rs. 174.18 lacs, for year ended 31st March 2016 Rs. 275.75 lacs).
- A dispute has arisen with the partner holding 49% share in step down subsidiary (51% share is held by company's wholly owned subsidiary in USA). The management is taking suitable steps in order to protect Company's interest in the step-down subsidiary. In view of the management, presently no accounting effect needs to be given in this regard. The statutory auditor has also drawn reference of this matter in their limited review report on the unaudited financial results for the quarter ended 30th June 2016.
- During the quarter ended 30th June 2015, the Company had received demand notices from Navi Mumbai Municipal Corporation towards additional cess liability for the period 1998 to 2013. The amount of demand excluding interest and penalty was Rs. 71.66 lacs. The Company is under process of contesting certain items in these demands through industry associations. As per management estimate, the Company made provision of Rs. 26.37 lacs in the quarter ended 30th September 2015 and had paid Rs. 11.37 lacs out of this provision. There is no development in this matter.

SIGNED FOR IDENTIFICATION BY

 N. A. SHAH ASSOCIATES LLP
 MUMBAI

Pradeep Metals Limited
CIN: L99999MH1982PLC026191

Registered Office : R-205, T.T.C. Ind. Area, MIDC, Rabale, Navi Mumbai 400701

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Statement of unaudited financial results for the quarter ended 30th June 2016

- 6 Export sales in standalone results includes sale made to wholly owned subsidiary of the Company in USA as given below :

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	30-Jun-2016	31-Mar-2016	30-Jun-2015	31-Mar-2016
Pradeep Metals Limited Inc., USA	156	132	208	706

- 7 Prior period items:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	30-Jun-2016	31-Mar-2016	30-Jun-2015	31-Mar-2016
Depreciation change / (reversal)	(39)	-	-	-
Other expenses (net)	8	65	-	20

- 8 Other income include foreign exchange gain as given below:

(Rs. in lakhs)

Particulars	Quarter ended			Year ended
	30-Jun-2016	31-Mar-2016	30-Jun-2015	31-Mar-2016
Foreign exchange gain	28	38	17	131

- 9 Company has recognized export incentive under Merchandise Exports from India Scheme (MEIS) for quarter ended 30th June 2016 aggregating to Rs. 28.56 lacs considering certainty over utilization of these license (for the quarter ended 31st March 2016 - Rs. 130.01 lacs, for the quarter ended for year ended 30th June 2015 Rs. Nil, For the year ended 31st March 2016 Rs. 130.01 lacs).

- 10 Segment disclosure:

The Company is primarily engaged in manufacturing of closed die forgings & steel processing. During the previous year, the Company had started generating power from wind turbine generator which is sold to Maharashtra State Electricity Distribution Company Limited (MSEDCL). However, pending execution of power purchase agreement with MSEDCL, wind mill operation is disclosed as other reconciling item.

(Rs. in lakhs)

Particulars	Standalone			
	Quarter ended			Year ended
	30-Jun-2016	31-Mar-2016	30-Jun-2015	31-Mar-2016
	Unaudited	Unaudited	Unaudited	Audited
Segment revenue				
(a) Closed die forging and Steel processing	2,471	3,251	2,681	11,693
(b) Others	74	39	51	216
Total	2,545	3,290	2,732	11,909
Less: Intersegment revenue	-	-	-	-
Net sales/ income from operations	2,545	3,290	2,732	11,909
Segment result expenses / (income)				
(a) Closed die forging and Steel processing	225	219	330	1,148
(b) Others	60	25	37	160
Total	285	244	367	1,307
Less:				
(i) Finance cost	178	141	169	676
(ii) Other un-allocable expenditure / (income)(net)	6	21	(7)	118
Profit before tax	101	82	205	513
Capital employed				
Segment assets				
(a) Closed die forging and Steel processing	10,171	10,440	10,776	10,440
(b) Others	1,627	1,553	1,387	1,553
(c) Unallocated	956	960	795	960
Total (A)	12,754	12,952	12,958	12,952
Segment liabilities				
(a) Closed die forging and Steel processing	2,016	2,373	2,603	2,373
(b) Others	1,049	1,019	142	1,019
(c) Unallocated	5,686	5,622	6,374	5,622
Total (B)	8,751	9,013	9,119	9,013
Capital Employed (Segment Assets- Segment Liabilities) (A-B)				
(a) Closed die forging and Steel processing	8,155	8,067	8,173	8,067
(b) Others	578	534	1,245	534
(c) Unallocated	(4,730)	(4,662)	(5,579)	(4,662)
Total	4,003	3,938	3,840	3,938

SIGNED FOR IDENTIFICATION BY
H. N. Noddy
N. A. SHAH ASSOCIATES LLP
MUMBAI

Pradeep Metals Limited

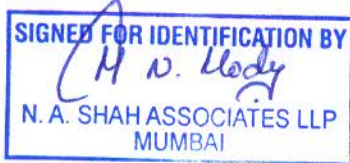
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Statement of unaudited financial results for the quarter ended 30th June 2016

- 11 The Company had terminated services of Chief Financial Officer in February 2016 and is in the process of appointing new Chief Financial Officer in accordance with second proviso to section 203 of the Companies Act, 2013.
- 12 In the quarter ended 31st March 2016, the Company had declared and paid interim dividend of Rs. 0.60 per share aggregating to Rs. 103.62 lacs (excluding dividend distribution tax).
- 13 The figures of the previous periods / year have been regrouped or rearranged wherever considered necessary.



for Pradeep Metals Limited

Pradeep Goyal
Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

Mumbai
06th August 2016

Independent Auditor's Report

To
The Board of Directors of
Pradeep Metals Limited

Report on quarterly unaudited standalone financial results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have reviewed the accompanying statement of unaudited standalone financial results of **Pradeep Metals Limited ('the Company')** for the quarter ended 30th June, 2016 ('the Statement'), 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.

Management's Responsibility for the statement

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial results based on our review of such interim standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 - "Interim Financial Reporting" (AS - 25), in accordance with the Accounting Standard notified under the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Opinion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with recognition and measurement principle laid down in AS-25 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

1. Reference is invited to note 2 of the notes to the statement of unaudited financial results in respect of recognition of revenue of Rs. 74.14 lacs in current quarter [for the period upto 30th June 2016 Rs. 290.14 lacs, (including previous year)] from sale of power generated from windmill to Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). Pending execution of power purchase agreement ('PPA'), revenue has been recognised based on the provisional rate as prescribed in the Order of Maharashtra Electricity Regulatory Commission ('MERC') and in view of management, no uncertainty exist for the amount recorded as receivable from sale of power.

Effective 14th July 2016, N. A. Shah Associates – ROF Registration No. BA71407 converted into
N. A. Shah Associates LLP – LLP Identification No. AAG-7909

B 41-45, Paragon Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 013.
Tel.: 91-22-40733000 ● Fax : 91-22-40733090 ● E-mail : info@nashah.com



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's Report (continued)

2. Reference is invited to note 4 of the notes to the statement of unaudited financial results in respect of dispute with partner in step down subsidiary in USA. In the opinion of the management, considering the steps taken by it, no accounting effect needs to be given in this regard in current quarter.

In respect of matter covered in para 1 above, attention was also drawn in our report for quarter ended 31st March 2016 and it was reported under Emphasis of Matter paragraph in independent auditors report issued by us under the Companies Act, 2013 for the year ended 31st March 2016.

Our opinion is not modified in respect of above matters.

Other matter

The financial results and financial statements of the Company for the quarter ended 30th June 2015 were audited by another auditor whose report dated 10th August 2015 expressed an unmodified opinion.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149

M. V. Mody



Milan Mody

Partner

Membership number: 103286

Place: Mumbai

Date:

6 AUG 2016