



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

10<sup>th</sup> November, 2022

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

Dear Sir,

**Sub: Outcome of Board Meeting dated 10<sup>th</sup> November, 2022:**

**Scrip Code: 513532**

This is in continuation to our letter dated 2<sup>nd</sup> November, 2022 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:

Considered and approved the Unaudited Financial Results of the Company on Standalone and Consolidated basis for the Quarter and Half-Year ended 30<sup>th</sup> September, 2022 along with Limited Review Reports thereon.

A copy of the said results, notes thereto and Auditors Limited Review Report thereon 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 7.20 p.m.

Please take the above information on record.

For Pradeep Metals Limited

  


**Abhishek Joshi**  
**Company Secretary & Compliance Officer**  
**ACS: 64446**

Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2022

(Rs. in lakhs)

Sr. No.	Particulars	Standalone						Consolidated							
		Quarter ended			Half year ended			Year ended	Quarter ended			Half year ended			Year ended
		30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022		
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1	Income from operations	6,528	5,979	4,999	12,507	9,241	20,718	7,276	6,483	5,500	13,759	10,087	22,080		
2	Other income	97	66	100	163	248	565	55	30	74	85	196	454		
	(A) Total Income (1+2)	6,625	6,045	5,099	12,670	9,489	21,283	7,331	6,513	5,574	13,844	10,283	22,534		
3	<b>Expenses</b>														
(a)	Cost of materials consumed	3,254	3,285	2,279	6,539	4,585	10,475	3,186	3,405	2,482	6,591	4,999	11,102		
(b)	Changes in inventories of work-in-progress, finished goods and scrap	(11)	(373)	34	(384)	(508)	(453)	249	(485)	25	(236)	(604)	(855)		
(c)	Manufacturing expenses	1,350	1,252	1,087	2,602	2,043	4,352	1,424	1,301	1,137	2,725	2,126	4,520		
(d)	Employee benefits expense	646	677	631	1,323	1,213	2,437	817	811	735	1,628	1,368	2,764		
(e)	Finance costs	135	129	83	264	178	440	162	149	92	311	199	489		
(f)	Depreciation and amortisation expense	147	149	144	296	283	583	203	203	200	406	377	772		
(g)	Other expenses	403	422	312	825	622	1,378	304	326	238	630	481	1,117		
	(B) Total Expenses	5,924	5,541	4,570	11,465	8,416	19,212	6,345	5,710	4,909	12,055	8,946	19,909		
4	Profit before exceptional items and tax (A-B)	701	504	529	1,205	1,073	2,071	986	803	665	1,789	1,337	2,625		
5	Less: Exceptional items- expenses/(income) [Refer note 10]	34	27	34	61	61	135	34	(1)	34	33	61	135		
6	Profit / (Loss) before tax (4-5)	667	477	495	1,144	1,012	1,936	952	804	631	1,756	1,277	2,490		
7	Tax Expense														
	1. Current tax	(183)	(142)	(139)	(325)	(286)	(553)	(183)	(142)	(139)	(325)	(286)	(553)		
	2. Deferred tax	13	5	6	18	8	23	26	6	8	32	13	42		
	3. Income tax of earlier years (net)	29	-	-	29	-	18	29	-	-	29	-	18		
8	Profit (Loss) for the period from continuing operations (6-7)	526	340	362	866	734	1,424	824	668	500	1,492	1,004	1,997		
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)	526	340	362	866	734	1,424	824	668	500	1,492	1,004	1,997		
13	(Less) / Add: allocation to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
14	Profit (Loss) for the period (12-13)	526	340	362	866	734	1,424	824	668	500	1,492	1,004	1,997		
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	4	(17)	(18)	(12)	(26)	5	5	(17)	(18)	(12)	(26)	5		
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1)	4	5	3	7	(1)	(1)	4	5	3	7	(1)		
	B (i) Items that will be reclassified to profit or loss														
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	(31)	(137)	6	(168)	(24)	(86)		
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-		
	Total of Other Comprehensive Income	3	(13)	(13)	(9)	(19)	4	(27)	(150)	(7)	(177)	(43)	(82)		
16	Total Comprehensive Income for the period (14+15) [Comprising Profit (Loss) and Other Comprehensive Income for the period] attributable to:	529	327	349	857	715	1,428	797	518	493	1,315	961	1,915		
	(a) To Owners of parent	-	-	-	-	-	-	797	518	493	1,315	961	1,915		
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
17	Of the Total Comprehensive Income above, Profit for the period attributable to:														
	(a) To Owners of parent	-	-	-	-	-	-	824	668	500	1,492	1,004	1,997		
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
18	Of the Total Comprehensive Income above, Other comprehensive income attributable to:														
	(a) To Owners of parent	-	-	-	-	-	-	(27)	(150)	(7)	(177)	(43)	(82)		
	(b) To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-		
19	Paid-up equity share capital (Face value of Rs. 10/- per share)	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727		
20	Reserves excluding revaluation reserve	-	-	-	-	-	7,514	-	-	-	-	-	5,789		
21	Earnings per equity share of Rs. 10/- each (Not annualised)														
	(a) Basic (in Rs.)	3.04	1.97	2.10	5.02	4.25	8.25	4.77	3.86	2.90	8.63	5.81	11.56		
	(b) Diluted (in Rs.)	3.04	1.97	2.10	5.02	4.25	8.25	4.77	3.86	2.90	8.63	5.81	11.56		

SIGNED FOR IDENTIFICATION BY  
*B. K. Pad...*  
N. A. SHAH ASSOCIATES LLP  
MUMBAI



Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2022 (Continued)  
Notes to financial results:

1 Standalone/ Consolidated Statement of Assets and Liabilities

Particulars	Standalone		Consolidated	
	As at 30th Sept. 2022	As at 31st March 2022	As at 30th Sept. 2022	As at 31st March 2022
	Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>				
<b>I. Non-current assets</b>				
(a) Property plant and equipment	4,899	4,836	6,579	6,521
(b) Right of use assets	58	73	58	73
(c) Capital work-in-progress	324	175	324	175
(d) Other Intangible assets	253	276	253	276
(e) Goodwill on consolidation	-	-	148	148
(F) Financial assets:				
(i) Non current Investments	607	668	-	-
(ii) Loans	2,310	2,153	-	-
(iii) Other non-current financial assets	98	48	98	48
(g) Income tax assets (net)	122	89	122	89
(h) Other non-current assets	442	431	649	625
	<b>9,113</b>	<b>8,749</b>	<b>8,231</b>	<b>7,955</b>
<b>II. Current assets</b>				
(a) Inventories	3,729	3,432	5,438	5,181
(b) Financial assets				
(i) Trade receivable	7,150	6,023	6,506	5,107
(ii) Cash and cash equivalents	2	2	251	305
(iii) Bank balances other than cash and cash equivalents	57	49	57	49
(iv) Loans	7	8	15	17
(v) Other current financial assets	169	328	155	317
(c) Other current assets	323	451	343	454
	<b>11,437</b>	<b>10,293</b>	<b>12,765</b>	<b>11,430</b>
<b>TOTAL ASSETS</b>	<b>20,550</b>	<b>19,042</b>	<b>20,996</b>	<b>19,385</b>
<b>EQUITY AND LIABILITIES</b>				
<b>III. Equity</b>				
(a) Equity share capital	1,727	1,727	1,727	1,727
(b) Other equity	8,110	7,514	6,845	5,789
<b>TOTAL EQUITY</b>	<b>9,837</b>	<b>9,241</b>	<b>8,572</b>	<b>7,516</b>
<b>LIABILITIES</b>				
<b>IV. Non-current liabilities</b>				
(a) Financial liabilities:				
(i) Borrowings				
(a) Lease liabilities	-	6	-	6
(b) Term Loan	1,510	1,455	2,521	2,524
(b) Provisions	69	97	69	97
(c) Deferred tax liabilities (Net)	346	363	307	339
	<b>1,925</b>	<b>1,921</b>	<b>2,897</b>	<b>2,966</b>
<b>V. Current liabilities</b>				
(a) Financial liabilities:				
(i) Borrowings				
(a) Lease liabilities	23	34	23	34
(b) Term Loan	4,966	4,894	5,435	5,521
(ii) Trade payable				
(A) Due to micro and small enterprises	29	30	29	30
(B) Due other than to micro and small enterprises	2,531	2,106	2,730	2,425
(iii) Other current financial liabilities	1,118	725	1,034	659
(b) Other current liabilities	40	42	195	185
(c) Provisions	50	49	50	49
(d) Current tax liabilities (net)	31	-	31	-
	<b>8,788</b>	<b>7,880</b>	<b>9,527</b>	<b>8,903</b>
<b>TOTAL LIABILITIES</b>	<b>10,713</b>	<b>9,801</b>	<b>12,424</b>	<b>11,869</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>20,550</b>	<b>19,042</b>	<b>20,996</b>	<b>19,385</b>



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

Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2022 (Continued)  
 Notes to financial results (continued):

2 Standalone and Consolidated Unaudited Cash Flow Statement for the half year ended 30th September 2022

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Half year ended 30th September 2022 (Unaudited)	Half year ended 30th September 2021 (Unaudited)	Half year ended 30th September 2022 (Unaudited)	Half year ended 30th September 2021 (Unaudited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before taxation	1,142	1,012	1,756	1,276
Adjustments for:				
Depreciation and amortization (net)	296	283	406	377
Allowance for doubtful debts/ (utilised) (net)*	(0)	(4)	(0)	(4)
Amount no longer payable written back	(3)	(7)	(3)	(7)
Allowance for doubtful advance / (utilised)	3	(1)	3	(1)
Unrealised foreign exchange (gain)/loss (net)	96	(135)	96	(118)
Reduction in Finished goods	-	-	35	33
PPP relief forgiven / utilised	-	-	-	(70)
(Profit)/loss on sale/discard of fixed asset (net)	35	12	34	12
Impairment of investment/goodwill (exceptional item)	61	61	33	61
Interest expenses	264	178	311	199
Interest income**	(71)	(51)	(1)	(0)
	681	336	914	482
<b>Operating profit before changes in assets and liabilities</b>	<b>1,823</b>	<b>1,348</b>	<b>2,670</b>	<b>1,758</b>
Movements in working capital : [Current and Non-current]				
(Increase) / decrease in other assets and other financial assets	120	(303)	169	(194)
(Increase) / decrease in inventories	(297)	(1,051)	(293)	(1,206)
(Increase) / decrease in trade receivable	(1,026)	(412)	(1,298)	(169)
Increase / (decrease) in trade payable, other liabilities, provisions and other financial liabilities	634	889	649	478
	(569)	(877)	(773)	(1,091)
	1,254	471	1,897	667
Direct taxes paid (net of refund)	(289)	(241)	(289)	(241)
Net cash generated/ (used in) from operating activities...(A)	965	230	1,608	426
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, plant & equipment (tangible/intangible) (Including capital advances and work in progress)	(569)	(257)	(729)	(471)
Sale of Property, plant & equipment	10	4	11	60
(Increase)/decrease in other bank balances and non-current assets [Other than cash and cash equivalents]	(8)	(8)	(8)	(8)
Loan to wholly owned subsidiary	-	(30)	-	-
Interest received	58	34	1	0
	(509)	(257)	(725)	(419)
Adjustment for:				
Less: Direct taxes paid	(6)	(3)	(6)	(3)
Net cash generated / (used in) from investing activities...(B)	(515)	(260)	(731)	(423)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from long term borrowing	271	126	271	278
Repayment of long term borrowing	(304)	(676)	(734)	(1,148)
Payment of lease liabilities	(16)	(15)	(16)	(15)
Increase/(decrease) in working capital loan (Net)	110	932	111	1,230
Dividend paid	(254)	(173)	(254)	(173)
Interest paid	(257)	(165)	(309)	(205)
	(450)	29	(931)	(33)
Net cash generated / (used) from financing activities...(C)	(450)	29	(931)	(33)
Net increase / (decrease) in cash and cash equivalents...(A + B + C)#	0	0	(54)	(30)
Cash and cash equivalents at the beginning of the period	2	3	305	228
Cash and cash equivalents at the end of the period	2	3	251	198
Net increase / (decrease) in cash and cash equivalents#	0	0	(54)	(30)

\*represents Rs.0.32 lakh for the half year ended 30th September, 2022

\*\*represents Rs.0.37 lakh for the half year ended 30th September, 2021

#represents Rs.0.34 lakh for the half year ended 30th September, 2022 and Rs.0.45 lakhs for half year ended 30th September 2021



SIGNED FOR IDENTIFICATION BY  
 B. Kapadia  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI

**Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2022 (Continued)**

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

3 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 10th November 2022, the statutory auditors of the Company have carried out the limited review of the standalone & consolidated financial results for the quarter and half year ended 30th September, 2022.

4 The above unaudited results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013.

5 The Company had carried out impairment assessment in respect of its investment in wholly owned subsidiary (WOS) and loans granted to WOS. Based on such assessment, the Company has made a provision for impairment of Rs. 34 lakhs in the value of its investment in WOS during the quarter ended 30th September 2022, Rs.27 lakhs for the quarter ended 30th June 2022, Rs.34 lakhs for the quarter ended 30th September, 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 30th September 2022 amounts to Rs.736 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 / unaudited standalone financial results of the previous years and earlier quarters.

6 During quarter ended 30th September 2022, the Company has additionally granted loan to its wholly owned subsidiary i.e. Pradeep Metals Limited Inc., USA amounting to Rs. Nil, for quarter ended 30th June 2022, Rs. Nil, [half year ended 30th September 2022 Rs. Nil, year ended 31st March 2022 Rs.270 lakhs (USD 3,60,000), half year ended 30th September, 2021 Rs. 30 lakhs (USD 40,000) and quarter ended 30th September 2021 Rs. 30 lakhs (USD 40,000)]. The total outstanding corporate guarantee given by the Company for the loan taken by WOS as at 30th September 2022 amounts to USD 16,87,247.

7 Export sales in standalone results include sales (net of returns) made to the WOS and the SDS of the Company in USA as given below :

Particulars	(Rs. in lakhs)					
	Quarter ended			Half year ended		
	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022
Pradeep Metals Limited Inc., USA (WOS) and Dimensional Machine Works, LLC (SDS)	312	580	483	893	959	2,059

SIGNED FOR IDENTIFICATION BY  
 B. K. K. K. K.  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI



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

Particulars	Standalone						Consolidated					
	Quarter ended			Half year ended			Quarter ended			Half year ended		
	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022
Other Income	47	23	60	71	175	417	47	23	60	71	175	417
Finance cost - Foreign exchange loss (attributable to finance cost)	(18)	(27)	-	(45)	(16)	(59)	(18)	(27)	-	(45)	(16)	(59)

9 (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 standalone financial results of the WOS and the SDS for the quarter and half year ended 30th September, 2022.

(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. Based on such assessment, the excess of carrying value of goodwill and tangible assets (net of impairment) over the recoverable amount has been accounted as an impairment provision of Rs. 34 lakhs during the quarter ended 30th September 2022, Rs.27 lakhs for the quarter ended 30th June 2022, Rs.34 lakhs for the quarter ended 30th September, 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 30th September,2022 amounts to Rs.736 lakhs. Management is of the view that expected growth in the demand of the SDS's products and other steps taken by the management, will generate sufficient cash flows to cover balance carrying value of goodwill and the carrying value of the tangible assets as at 30th September 2022. The provision is disclosed as exceptional item in consolidated financial results.

(ii) (a) Ageing of slow/non-moving items of inventories is not available from the system. Management is of the view that there is demand for the SDSs products and these inventories have realizable value greater than cost. Based on the management estimate provision is made wherever considered necessary. (b) Further, the improvement in the systems and processes of maintaining the inventory records is in process.

(iii) During the earlier year, the Company had received financial support of Rs.281 lakhs (USD 384,200) under Paycheck Protection Program (PPP scheme) framed by the US government to assist certain class of companies in USA during the period of COVID-19. Amount unspent of Rs.71 lakhs (USD 96,050) which was grouped under short-term borrowings as "Amount received towards Paycheck protection program" for the year ended 31st March 2021, was fully utilised as per the government guidelines during the year ended 31st March 2022. Further, income and relevant expenses of Rs. 71 lakhs were considered as exceptional items for the year ended 31st March, 2022 .

(iv) During the quarter ended 30th June 2022, SDS had received refund of employee related taxes for the earlier period of Rs. 28 lakhs (equivalent USD 35,000) from the US Government in respect of the 'Employees Retention Credit' (ERC) under 'Taxpayer Certainty and Disaster Tax Relief Act of 2020'. This is considered as exceptional item for the quarter ended 30th June, 2022 and half year ended 30th September, 2022.

Statutory auditors have drawn reference of the matters covered in para (i) & (ii) above in their report on the audited / unaudited consolidated financial results of the previous years and earlier quarters.

10 Exceptional items- expenses/(income):

Particulars	Standalone						Consolidated					
	Quarter ended			Half year ended			Quarter ended			Half year ended		
	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022
Provision for impairment of investment in the WOS [Refer para 5]	34	27	34	61	61	135	-	-	-	-	-	-
Provision for impairment of Goodwill and tangible assets in the SDS [Refer para 9(b)(i)]	-	-	-	-	-	-	34	27	34	61	61	135
Financial support received in the SDS [Refer para 9 (b)(iii)]	-	-	-	-	-	-	-	-	-	-	-	(71)
Refund of employee related taxes for the earlier period in the SDS [Refer para 9 (b)(iv)]	-	-	-	-	-	-	-	(28)	-	(28)	-	-
Expenses incurred against financial support received in the SDS [Refer para 9 (b)(iii)]	-	-	-	-	-	-	-	-	-	-	-	71
<b>Total</b>	<b>34</b>	<b>27</b>	<b>34</b>	<b>61</b>	<b>61</b>	<b>135</b>	<b>34</b>	<b>(1)</b>	<b>34</b>	<b>33</b>	<b>61</b>	<b>135</b>

Notes to financial results (continued):

11 Segment disclosure:

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

(Rs. in lakhs)

Particulars	Standalone						Consolidated					
	Quarter ended		Half year ended		Year ended		Quarter ended		Half year ended		Year ended	
	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022	30-Sep-2022	30-Jun-2022	30-Sep-2021	30-Sep-2022	30-Sep-2021	31-Mar-2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment revenue</b>												
(a) Closed die steel forging and processing	6,451	5,922	4,921	12,373	9,104	20,521	7,199	6,426	5,424	13,625	9,950	21,883
(b) Power generation	77	57	78	134	137	197	77	57	78	134	137	197
<b>Total</b>	<b>6,528</b>	<b>5,979</b>	<b>4,999</b>	<b>12,507</b>	<b>9,241</b>	<b>20,718</b>	<b>7,276</b>	<b>6,483</b>	<b>5,500</b>	<b>13,759</b>	<b>10,087</b>	<b>22,080</b>
Less: Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net sales / income from operations</b>	<b>6,528</b>	<b>5,979</b>	<b>4,999</b>	<b>12,507</b>	<b>9,241</b>	<b>20,718</b>	<b>7,276</b>	<b>6,483</b>	<b>5,500</b>	<b>13,759</b>	<b>10,087</b>	<b>22,080</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 9(b)(iii) & 9(b)(iv)												
(a) Closed die steel forging and processing	777	661	488	1,438	1,004	2,047	1,143	1,013	623	2,156	1,277	2,648
(b) Power generation	42	37	57	79	96	115	42	37	57	79	96	115
<b>Total</b>	<b>819</b>	<b>698</b>	<b>545</b>	<b>1,517</b>	<b>1,100</b>	<b>2,162</b>	<b>1,185</b>	<b>1,050</b>	<b>680</b>	<b>2,235</b>	<b>1,373</b>	<b>2,763</b>
Less:												
(i) Finance cost	135	129	83	264	178	440	162	149	92	311	199	489
(ii) Other un-allocable expenditure / (income) (net) [net of exceptional item- para 9(b)(i)]	17	92	(33)	110	(90)	(214)	71	97	(43)	168	(103)	(216)
<b>Profit before tax</b>	<b>667</b>	<b>477</b>	<b>495</b>	<b>1,144</b>	<b>1,012</b>	<b>1,936</b>	<b>952</b>	<b>804</b>	<b>631</b>	<b>1,756</b>	<b>1,277</b>	<b>2,490</b>
<b>Capital employed:</b>												
Segment assets												
(a) Closed die steel forging and processing	18,624	18,793	16,178	18,624	16,178	17,198	19,429	19,359	15,649	19,429	15,649	17,909
(b) Power generation	1,137	1,074	1,169	1,137	1,169	1,031	1,137	1,074	1,169	1,137	1,169	1,031
(c) Unallocated	789	795	833	789	833	813	430	494	286	430	286	445
<b>Total (A)</b>	<b>20,550</b>	<b>20,662</b>	<b>18,180</b>	<b>20,550</b>	<b>18,180</b>	<b>19,042</b>	<b>20,996</b>	<b>20,927</b>	<b>17,104</b>	<b>20,996</b>	<b>17,104</b>	<b>19,385</b>
Segment liabilities												
(a) Closed die steel forging and processing	3,817	4,226	3,089	3,817	3,089	3,029	4,073	4,434	3,300	4,073	3,300	3,418
(b) Power generation	-	-	-	-	-	-	-	-	-	-	-	-
(c) Unallocated	6,896	6,869	6,562	6,896	6,562	6,772	8,351	8,459	7,260	8,351	7,260	8,451
<b>Total (B)</b>	<b>10,713</b>	<b>11,095</b>	<b>9,651</b>	<b>10,713</b>	<b>9,651</b>	<b>9,801</b>	<b>12,424</b>	<b>12,893</b>	<b>10,560</b>	<b>12,424</b>	<b>10,560</b>	<b>11,869</b>
<b>Capital Employed (Segment Assets- Segment Liabilities) (A-B)</b>												
(a) Closed die steel forging and processing	14,807	14,567	13,089	14,807	13,089	14,169	15,356	14,925	12,349	15,356	12,349	14,491
(b) Power generation	1,137	1,074	1,169	1,137	1,169	1,031	1,137	1,074	1,169	1,137	1,169	1,031
(c) Unallocated	(6,107)	(6,074)	(5,729)	(6,107)	(5,729)	(5,959)	(7,921)	(7,964)	(6,974)	(7,921)	(6,974)	(8,006)
<b>Total</b>	<b>9,837</b>	<b>9,567</b>	<b>8,529</b>	<b>9,838</b>	<b>8,529</b>	<b>9,241</b>	<b>8,572</b>	<b>8,035</b>	<b>6,544</b>	<b>8,572</b>	<b>6,544</b>	<b>7,516</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  
  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI

For Pradeep Metals Limited

  
 Pradeep Goyal

Chairman and Managing Director  
 DIN: 00008370

Mumbai  
 Date: 10th November 2022



**Limited review report on quarterly unaudited 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. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Pradeep Metals Limited ("the Company") for the quarter and half year ended 30<sup>th</sup> September, 2022, 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").

**Management responsibility**

2. The Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

**Auditor's responsibility**

3. Our responsibility is to issue report on this Statement based on our review.

We conducted our review in accordance with the 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 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.

**Conclusion**

4. 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 principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of matter**

- a. Reference is invited to note 5 of the notes to financial results. In view of accumulated losses in the wholly owned subsidiary (WOS) and step down subsidiary (SDS), and provision for impairment of goodwill and tangible assets 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 additional provision for impairment of Rs. 34 lakhs in the value of its investment in WOS during the quarter ended 30<sup>th</sup> September 2022 (Provision for impairment made of Rs. 27 lakhs during the quarter ended 30<sup>th</sup> June 2022, Rs.34 lakhs during the quarter ended 30<sup>th</sup> September 2021, Rs.61 lakhs for the half year ended 30<sup>th</sup> September, 2022, Rs.61 lakhs for the half year ended 30<sup>th</sup> September 2021 and Rs.135 lakhs for the year ended 31<sup>st</sup> March 2022. Aggregate impairment provision made upto 30<sup>th</sup> September 2022 amounts to Rs.736 lakhs). In the view of management, considering the long term and strategic nature of investment, the balance carrying value of investment in WOS would yield the required benefits and the loan given to the WOS is considered as fully recoverable.



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

Our opinion is not modified in respect of above matter. Above matter was reported in our reports on the audited / unaudited standalone financial results of the previous years and earlier quarters and our opinion was not modified.

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm's Registration No. 116560WW100149

*B. Kapadia*



**Bhavin Kapadia**  
Partner  
Membership number: 118991  
UDIN: 22118991BCSTCG8779

Place: Mumbai  
Date: 10<sup>th</sup> November, 2022

**Limited Review Report on quarterly unaudited 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. We have reviewed the accompanying statement of unaudited consolidated financial results of Pradeep Metals Limited ('the Holding Company') and its Wholly Owned Subsidiary (WOS) and Step Down Subsidiary (SDS) (collectively referred to as 'the Group'), for the quarter and half year ended 30<sup>th</sup> September 2022, ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

**Management's responsibility**

2. The Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.

**Auditor's responsibility**

3. Our responsibility is to issue report on the Statement based on our review.

We conducted our review in accordance with the 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. These unaudited consolidated financial results include results of the following entities:

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

**5. Conclusion**

Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



**6. Emphasis of Matters**

Reference is invited to note 9(b)(i) & (ii) 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. Based on such assessment, the SDS has made additional provision for impairment of Rs. 34 lakhs for goodwill and tangible assets during the quarter ended 30<sup>th</sup> September 2022 (Provision for impairment made of Rs. 27 lakhs during the quarter ended 30<sup>th</sup> June 2022, Rs. 34 lakhs during the quarter ended 30<sup>th</sup> September 2021, Rs. 61 lakhs for the half year ended 30<sup>th</sup> September, 2022, Rs.61 lakhs for the half year ended 30<sup>th</sup> September 2021 and Rs.135 lakhs for the year ended 31<sup>st</sup> March 2022 and aggregate impairment provision upto 30<sup>th</sup> September, 2022 is Rs. 736 lakhs). Management is of the view that expected growth in the demand of the SDS's products and other steps taken by the management, will generate sufficient cash flows to cover balance carrying value of tangible assets in the books of SDS as at 30<sup>th</sup> September 2022.
- b) (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 SDS's 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 conclusion is not modified in respect of above matters. The above matters were reported in our reports on the audited / unaudited consolidated financial results of the previous years and earlier quarters and our opinion was not modified.

**For N. A. Shah Associates LLP**  
Chartered Accountants  
Firm's Registration No. 116560W/W100149

*BK Kapadia*

**Bhavin Kapadia**  
Partner  
Membership number: 118991  
UDIN: 22118991BCSTMZ6600



Place: Mumbai  
Date: 10<sup>th</sup> November, 2022