



Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

3rd February, 2023

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

Dear Sir,

Sub: Outcome of Board Meeting dated 3rd February, 2023:

Scrip Code: 513532

This is in continuation to our letter dated 27th January, 2023 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 inter alia:

1. Considered and approved the Unaudited Financial Results of the Company on Standalone and Consolidated basis for the Quarter and Nine-Months ended 31st December, 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.
2. Approval of Interim Dividend of 10% i.e., Re.1/- per Equity Share of Rs.10/- each for the Financial Year 2022-23.

Pursuant to Regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has fixed Wednesday, 15th February, 2023 as "**Record Date**" for the purpose of determining the eligibility of Members entitled to receive the Interim Dividend for the FY 2022-23.

The Meeting of the Audit Committee/Board of Directors of the Company commenced at 5.15 p.m. and concluded at 8:05 p.m.

Please take the above information on record.

For **Pradeep Metals Limited**

Abhishek Joshi
Company Secretary & Compliance Officer
ACS: 64446

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 Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December 2022

Sr. No.	Particulars	Standalone						Consolidated					
		Quarter ended			Nine months ended			Quarter ended			Nine months ended		
		31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations	6,226	6,528	5,434	18,733	14,675	20,718	6,716	7,276	5,600	20,474	15,687	22,080
2	Other income	154	97	108	316	356	565	110	55	80	195	275	454
	(A) Total Income (1+2)	6,380	6,625	5,542	19,049	15,031	21,283	6,826	7,331	5,680	20,669	15,962	22,534
3	Expenses												
(a)	Cost of materials consumed	2,796	3,254	2,924	9,334	7,509	10,475	2,890	3,186	2,876	9,481	7,875	11,102
(b)	Changes in inventories of work-in-progress, finished goods and scrap	(92)	(11)	(173)	(476)	(681)	(453)	(52)	249	(169)	(289)	(772)	(855)
(c)	Manufacturing expenses	1,364	1,350	1,091	3,967	3,134	4,352	1,427	1,424	1,142	4,152	3,268	4,520
(d)	Employee benefits expense	679	646	596	2,002	1,809	2,437	845	817	654	2,473	2,022	2,764
(e)	Finance costs	141	135	146	405	324	440	174	162	162	486	361	489
(f)	Depreciation and amortisation expense	154	147	146	450	429	583	213	203	186	620	563	772
(g)	Other expenses	416	403	362	1,242	984	1,378	345	304	312	974	793	1,118
	(B) Total Expenses	5,458	5,924	5,092	16,924	13,598	19,212	5,842	6,345	5,163	17,897	14,110	19,910
4	Profit before exceptional items and tax (A-B)	922	701	450	2,125	1,523	2,071	984	986	517	2,772	1,853	2,624
5	Less: Exceptional items- expenses/(income) [Refer note 9]	34	34	34	95	95	135	34	34	67	95	135	135
6	Profit / (Loss) before tax (4-5)	888	667	416	2,030	1,428	1,936	950	952	483	2,705	1,758	2,489
7	Tax Expense												
1.	Current tax	(234)	(183)	(116)	(559)	(401)	(553)	(234)	(183)	(116)	(559)	(401)	(553)
2.	Deferred tax	(3)	13	2	14	10	23	10	26	1	42	15	42
3.	Income tax of earlier years (net)	0	29	-	29	-	18	0	29	-	29	-	18
	Total Tax Expenses	(237)	(141)	(114)	(516)	(391)	(512)	(224)	(128)	(115)	(488)	(386)	(493)
8	Profit/(Loss) for the period from continuing operations (6-7)	652	526	302	1,515	1,037	1,424	726	824	368	2,217	1,372	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)	652	526	302	1,515	1,037	1,424	726	824	368	2,217	1,372	1,997
13	(Less) / Add: allocation to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
14	Profit/(Loss) for the period (12-13)	652	526	302	1,515	1,037	1,424	726	824	368	2,217	1,372	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	(37)	5	(9)	(49)	(35)	5	(37)	5	(9)	(49)	(35)	5
(ii)	Income tax relating to items that will not be reclassified to profit or loss	9	(1)	2	12	9	(1)	9	(1)	2	12	9	(1)
B (i)	Items that will be reclassified to profit or loss												
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	(31)	(31)	12	(198)	(12)	(86)
(ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
	Total of Other Comprehensive Income	(28)	4	(7)	(37)	(26)	4	(59)	(27)	5	(235)	(38)	(82)
16	Total Comprehensive Income for the period (14+15) [Comprising Profit (Loss) and Other Comprehensive Income for the period] attributable to:	624	529	295	1,478	1,011	1,428	667	797	373	1,981	1,334	1,915
(a)	To Owners of parent	-	-	-	-	-	-	667	797	373	1,981	1,334	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	-	-	-	-	-	-	726	824	368	2,217	1,372	1,997
(b)	To Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
18	Of the Total Comprehensive Income above, Other comprehensive income attributable to:												
(a)	To Owners of parent	-	-	-	-	-	-	(59)	(27)	5	(235)	(38)	(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.)	3.77	3.04	1.75	8.77	6.01	8.25	4.20	4.77	2.13	12.83	7.94	11.57
(b)	Diluted (in Rs.)	3.77	3.04	1.75	8.77	6.01	8.25	4.20	4.77	2.13	12.83	7.94	11.57

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



Pradeep 1/12

Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December 2022 (Continued)

Notes to financial results (continued):

- 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 3rd February 2023, the statutory auditors of the Company have carried out the limited review of the standalone & consolidated financial results for the quarter and nine months ended 31st December, 2022.
- 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.
- 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 31st December 2022, Rs.34 lakhs for the quarter ended 30th September 2022, Rs.34 lakhs for the quarter ended 31st December 2021, Rs. 95 lakhs for the nine months ended 31st December 2022, Rs.95 lakhs for the nine months ended 31st December 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 31st December 2022 amounts to Rs.770 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.
- During quarter ended 31st December 2022, the Company has granted loan to its wholly owned subsidiary i.e. Pradeep Metals Limited Inc., USA amounting to Rs. Nil, for quarter ended 30th September 2022, Rs. Nil, for nine months ended 31st December 2022 Rs. Nil, for nine months ended 31st December 2021 Rs.270 lakhs (USD 3,60,000), for year ended 31st March 2022 Rs.270 lakhs (USD 3,60,000). The total outstanding corporate guarantee given by the Company for the loan taken by WOS as at 31st December 2022 amounts to USD 14,91,247.
- 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	Quarter ended			Nine months ended			(Rs. in lakhs)
	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022	Year ended
Pradeep Metals Limited Inc., USA (WOS) and Dimensional Machine Works, LLC (SDS)	463	312	568	1,357	1,527	2,059	

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

Particulars	Standalone						Consolidated						(Rs. in lakhs)
	Quarter ended			Nine months ended			Quarter ended			Nine months ended			Year ended
	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022	Year ended
Other Income	106	47	72	177	247	417	106	47	72	177	247	417	
Finance cost - Foreign exchange loss (attributable to finance cost)	(9)	(18)	(21)	(54)	(38)	(59)	(9)	(18)	(21)	(54)	(38)	(59)	

- 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 nine months ended 31st December 2022.

- 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 31st December 2022, Rs.34 lakhs for the quarter ended 30th September 2022, Rs.34 lakhs for the quarter ended 31st December 2021, Rs.95 lakhs for the nine months ended 31st December 2022, Rs.95 lakhs for the nine months ended 31st December 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 31st December 2022 amounts to Rs.770 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 31st December 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 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 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 nine months ended 31st December 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.

- The Board of Directors at its meeting held on 3rd February 2023 has declared an interim dividend of Re.1 per equity share.

- Exceptional items- expenses/(income):

Particulars	Standalone						Consolidated						(Rs. in lakhs)
	Quarter ended			Nine months ended			Quarter ended			Nine months ended			Year ended
	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022	Year ended
Provision for impairment of investment in the WOS [Refer para 3]	34	34	34	95	95	135	-	-	-	-	-	-	
Provision for impairment of Goodwill and tangible assets in the SDS [Refer para 7(b)(i)]	-	-	-	-	-	-	34	34	34	95	95	135	
Financial support received in the SDS [Refer para 7 (b)(iii)]	-	-	-	-	-	-	-	-	-	-	-	-	(71)
Expenses incurred against financial support received in the SDS [Refer para 7 (b)(iii)]	-	-	-	-	-	-	-	-	-	-	-	-	71
Refund of employee related taxes for the earlier period in the SDS [Refer para 7 (b)(iv)]	-	-	-	-	-	-	-	-	-	(28)	-	-	-
Total	34	34	34	95	95	135	34	34	34	67	95	135	

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

Notes to financial results (continued):

10 Segment disclosure:

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

Particulars	Standalone						Consolidated						(Rs. in lakhs)	
	Quarter ended			Nine months ended			Year ended	Quarter ended			Nine months ended			Year ended
	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022	31-Dec-2022	30-Sep-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Mar-2022		
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
Segment revenue														
(a) Closed die steel forging and processing	6,196	6,451	5,403	18,569	14,507	20,521	6,686	7,199	5,569	20,310	15,519	21,883		
(b) Power generation	30	77	31	164	168	197	30	77	31	164	168	197		
Total	6,226	6,528	5,434	18,733	14,675	20,718	6,716	7,276	5,600	20,474	15,687	22,080		
Less: Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-		
Net sales / income from operations	6,226	6,528	5,434	18,733	14,675	20,718	6,716	7,276	5,600	20,474	15,687	22,080		
Segment result														
Profit / (loss) before tax, finance cost from segment and other un-allocable expenses / (income) and after exceptional item as per para 7(b)(iii) & 7(b)(iv)														
(a) Closed die steel forging and processing	997	763	528	2,420	1,532	2,047	1,092	1,129	607	3,233	1,892	2,647		
(b) Power generation	10	55	11	103	106	115	10	55	11	103	106	115		
Total	1,007	819	539	2,523	1,638	2,162	1,102	1,185	617	3,336	1,998	2,762		
Less:														
(i) Finance cost	141	135	146	405	324	440	174	162	162	486	361	489		
(ii) Other un-allocable expenditure / (income) (net) [net of exceptional item- para 7(b)(i)]	(22)	17	(24)	88	(115)	(214)	(22)	71	(27)	145	(130)	(216)		
Profit before tax	888	667	416	2,030	1,428	1,936	950	952	483	2,705	1,758	2,489		
Capital employed:														
Segment assets														
(a) Closed die steel forging and processing	18,275	18,571	16,909	18,275	16,909	17,198	19,017	19,376	17,344	19,017	17,344	17,909		
(b) Power generation	1,097	1,190	1,062	1,097	1,062	1,031	1,097	1,190	1,062	1,097	1,062	1,031		
(c) Unallocated	748	789	833	748	833	813	335	431	481	335	481	445		
Total (A)	20,119	20,550	18,804	20,119	18,804	19,042	20,448	20,997	18,887	20,448	18,887	19,385		
Segment liabilities														
(a) Closed die steel forging and processing	3,872	3,817	3,042	3,872	3,042	3,029	4,076	4,073	3,253	4,076	3,253	3,418		
(b) Power generation														
(c) Unallocated	5,786	6,897	6,939	5,786	6,939	6,772	7,134	8,351	8,717	7,134	8,717	8,451		
Total (B)	9,658	10,714	9,981	9,658	9,981	9,801	11,210	12,424	11,970	11,210	11,970	11,869		
Capital Employed (Segment Assets- Segment Liabilities) (A-B)														
(a) Closed die steel forging and processing	14,402	14,755	13,868	14,402	13,868	14,169	14,941	15,304	14,090	14,941	14,090	14,491		
(b) Power generation	1,097	1,190	1,062	1,097	1,062	1,031	1,097	1,190	1,062	1,097	1,062	1,031		
(c) Unallocated	(5,038)	(6,108)	(6,105)	(5,038)	(6,105)	(5,959)	(6,799)	(7,920)	(8,236)	(6,799)	(8,236)	(8,005)		
Total	10,461	9,836	8,825	10,461	8,825	9,241	9,238	8,573	6,916	9,238	6,916	7,516		

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
B. Karadi
 N. A. SHAH ASSOCIATES LLP
 MUMBAI

For Pradeep Metals Limited

Pradeep Goyal

Pradeep Goyal
 Chairman and Managing Director
 DIN: 00008370

Mumbai
 Date: 3rd February 2023



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 nine months ended 31st December, 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

5. 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) 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 31st December 2022, Rs.34 lakhs for the quarter ended 30th September 2022, Rs.34 lakhs for the quarter ended 31st December 2021, Rs.95 lakhs for the nine months ended 31st December 2022, Rs.95 lakhs for the nine months ended 31st December 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 31st December 2022 amounts to Rs.770 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. 116560W/W100149

B. Kapadia

Bhavin Kapadia

Partner

Membership number: 118991

UDIN: 23118991BGYZX11576



Place: Mumbai

Date: 3rd February, 2023

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 nine months ended 31st December 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:

Name of the Entity	Relationship
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.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

6. Emphasis of Matters

Reference is invited to note 7(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 31st December 2022, (Provision for impairment made of Rs.34 lakhs during the quarter ended 30th September 2022, Rs.34 lakhs during the quarter ended 31st December 2021, Rs.95 lakhs for the nine months ended 31st December 2022, Rs. 95 lakhs for the nine months ended 31st December 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 31st December 2022 amounts to Rs.770 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 31st December 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

Bhavin Kapadia

Bhavin Kapadia

Partner

Membership number: 118991

UDIN: 23118991BGYZXJ1732



Place: Mumbai

Date: 3rd February, 2023