

Standalone Statement of changes in equity for the year ended 31st March 2019

(Amount in USD)

| Particulars | Attributable to Owners | | Total (A+B) |
|--------------------------------------|--------------------------|--------------------------|------------------|
| | Equity share capital (A) | Reserves and surplus (B) | |
| | | Retained earnings | |
| Balance at 1st April 2017 | 1,358,000 | (271,666) | 1,086,334 |
| Profit for the year | - | 58,804 | 58,804 |
| Balance as at 31st March 2018 | 1,358,000 | (212,862) | 1,145,138 |
| Balance at 1st April 2018 | 1,358,000 | (212,862) | 1,145,138 |
| Profit for the year | - | 296,643 | 296,643 |
| Balance as at 31st March 2019 | 1,358,000 | 83,781 | 1,441,780 |
| | | | |

Significant accounting policies & other notes

Notes referred to herein above form an integral part of standalone financial statements.

As per our report of even date

For and on behalf of the Directors of
Pradeep Metals Limited Inc, USA

Abhinav Goyal

Director

Place : Navi Mumbai

Date : 15th May 2019

Pradeep Metals Limited Inc, USA
Standalone Unaudited Balance Sheet as at 31st March, 2019

(Amount in USD)

| Particulars | Note No. | As at 31st March, 2019 | As at 31st March, 2018 |
|----------------------------------------------------------|-----------------|-----------------------------------|-----------------------------------|
| ASSETS | | | |
| I. Non-current assets | | | |
| Property plant and equipment | 4 | 1,696 | 2,000 |
| Intangible Assets | 4 | 17,361 | 20,819 |
| Investment in subsidiary | 5 | 3,846,662 | 3,846,662 |
| Financial Assets | | | |
| (i) Loans | 6 | 1,170,781 | 701,732 |
| (ii) Other non current financial assets | 7 | 3,822 | 30,293 |
| Other non current assets | 8 | 5,000 | - |
| | | 5,045,322 | 4,601,505 |
| II. Current assets | | | |
| Inventories | 9 | 780,010 | 806,531 |
| Financial assets | | | |
| (i) Trade receivables | 10 | 1,081,089 | 1,329,233 |
| (ii) Cash and cash equivalents | 11 | 291,860 | 105,307 |
| (iii) Other current financial assets | 12 | 137,836 | 32,766 |
| Other current assets | 13 | 13,402 | - |
| | | 2,304,197 | 2,273,837 |
| TOTAL ASSETS | | 7,349,519 | 6,875,341 |
| EQUITY AND LIABILITIES | | | |
| III. Equity | | | |
| Equity share capital | 14 | 1,358,000 | 1,358,000 |
| Other equity | | 83,781 | (212,862) |
| TOTAL EQUITY | | 1,441,781 | 1,145,138 |
| LIABILITIES | | | |
| IV. Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 2,360,000 | 2,820,000 |
| | | 2,360,000 | 2,820,000 |
| V. Current liabilities | | | |
| Financial liabilities | | | |
| (i) Trade payable | 16 | 3,079,299 | 2,550,860 |
| (ii) Other current financial liabilities | 17 | 468,439 | 359,344 |
| | | 3,547,738 | 2,910,203 |
| TOTAL EQUITY & LIABILITIES | | 7,349,519 | 6,875,341 |
| Significant accounting policies & other notes | 1 to 34 | | |

Notes referred to herein above form an integral part of standalone financial statements.

**For and on behalf of the Directors of
Pradeep Metals Limited Inc, USA**

Abhinav Goyal
Director

Place : Navi Mumbai
Date : 15th May 2019

Pradeep Metals Limited Inc, USA
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2019

(Amount in USD)

| Particulars | Note No. | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|-----------------------------------------------------------------------------------|-----------------|------------------------------------|------------------------------------|
| INCOME | | | |
| Revenue from operations | 18 | 5,054,747 | 3,340,772 |
| Total Income | | 5,054,747 | 3,340,772 |
| EXPENSES | | | |
| Purchase of stock in trade | 19 | 4,258,018 | 3,009,105 |
| Decrease/(Increase) in stock in trade | 20 | 26,520 | (100,977) |
| Finance costs | 21 | 209,089 | 186,702 |
| Depreciation | 4 | 3,762 | 3,513 |
| Other expenses | 22 | 260,715 | 183,624 |
| Total Expenses | | 4,758,104 | 3,281,968 |
| Profit before taxes | | 296,643 | 58,804 |
| Tax expense: | | | |
| Current tax | | - | - |
| Deferred tax charge / (Credit) | | - | - |
| Short/(excess) provision for income tax for earlier years | | - | - |
| Net profit / (loss) for the year (A) | | 296,643 | 58,804 |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Total (1) | | - | - |
| (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total (2) | | - | - |
| Other Comprehensive Income (1+2) (B) | | - | - |
| Total Comprehensive Income (A+B) | | 296,642.56 | 58,804.10 |
| Earnings per equity share | | | |
| (a) Basic (Face value of USD. 25 each) | | 0.22 | 0.04 |
| (b) Diluted (Face value of USD. 25 each) | | 0.22 | 0.04 |
| Significant accounting policies & other notes | 1 to 34 | | |

Notes referred to herein above form an integral part of financial statements.

**For and on behalf of the Board of Directors of
Pradeep Metals Limited Inc, USA**

Abhinav Goyal
Director

Place : Navi Mumbai
Date : 15th May 2019

(Amount in USD)

| 5 | Investments (At cost, unless otherwise specified) | As at | As at |
|---|-------------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Unquoted equity instruments (fully paid) | | |
| | Investment in wholly owned subsidiary | | |
| | Dimensional Machine Works LLC (Refer note 5.1 & 5.2) | 3,846,662 | 3,846,662 |
| | Total | 3,846,662 | 3,846,662 |

5.1 **Other disclosures of investment** (Amount in USD)

| Particulars | As at | As at |
|-----------------------------------------------------------|----------------|------------------|
| | 31 March, 2019 | 31st March, 2018 |
| Aggregate cost of unquoted investment | 3,846,662 | 3,846,662 |
| Aggregate amount of impairment in the value of impairment | - | - |

5.2 In view of the settlement of dispute with the erstwhile JV Partner of the subsidiary of the Company in the previous year, subsidiary became the wholly owned subsidiary (WOS) of the Company. In the opinion of the management, considering expected revival of the demand for WOS's products and considering that the investment made in WOS is of strategic nature, no provision for diminution in the value of investment in WOS and loan given is required as at 31st March 2019.

(Amount in USD)

| 6 | Loans Non-current (Unsecured, considered good unless otherwise stated) | As at | As at |
|---|--------------------------------------------------------------------------------------------|------------------|------------------|
| | | 31 March, 2019 | 31st March, 2018 |
| | Loan to wholly owned subsidiary (Refer note 6.1) | 1,170,781 | 701,732 |
| | Total | 1,170,781 | 701,734 |

6.1 No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person. USD 11,70,781.00 (Previous year : USD. 7,01,732.00) is receivable from a wholly owned subsidiary having common directors/members.

(Amount in USD)

| 7 | Other non current financial assets (Unsecured, considered good unless otherwise stated) | As at | As at |
|---|---------------------------------------------------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Investment in Coinbase | 3,822 | 3,822 |
| | Income Tax Refund Receivable | - | 26,471 |
| | Total | 3,822 | 30,293 |

(Amount in USD)

| 8 | Other non current assets (Unsecured, considered good unless otherwise stated) | As at | As at |
|---|-----------------------------------------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Capital advances | 5,000 | - |
| | Total | 5,000 | - |

(Amount in USD)

| 9 | Inventories (At lower of cost or net realisable value unless otherwise stated) | As at | As at |
|---|------------------------------------------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Stock in trade | 780,010 | 806,531 |
| | Total | 780,010 | 806,531 |

(Amount in USD)

| 10 | Trade receivables (Unsecured, considered good unless otherwise stated) | As at | As at |
|----|----------------------------------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Considered good | 1,081,089 | 1,329,233 |
| | Total | 1,081,089 | 1,329,233 |

10.1 No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or from company having common director/member.

10.2 For details of outstanding receivables from related parties. (Refer note 26.3)

10.3 Trade receivables are non - interest bearing and are generally on terms of 30 to 270 days.

10.4 Refer note 29 for policy on expected credit loss

(Amount in USD)

| 11 | Cash and cash equivalent | As at | As at |
|----|--------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Cash and cash equivalent | | |
| | Balance with bank | | |
| | - In current accounts | 291,860 | 105,307 |
| | Total | 291,860 | 105,307 |

(Amount in USD)

| 12 | Other current financial assets (Unsecured, considered good unless otherwise stated) | As at | As at |
|----|----------------------------------------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Balance with government authorities | 48,020 | - |
| | Receivable from Wholly owned subsidiary | 89,816 | 32,766 |
| | Total | 137,836 | 32,766 |

* Balance with government authorities includes the recoverable custom duty tariff of GBP, which is waive from local authorities.

12.1 No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person.

12.2 Break up of financial assets carried at amortised cost

(Amount in USD)

| Particulars | As at | As at |
|--------------------------------------------|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Loans (Refer note 6) | 1,170,781 | 701,732 |
| Other financial assets (Refer note 7 & 12) | 141,658 | 63,059 |
| Trade receivables (Refer note 10) | 1,081,089 | 1,329,233 |
| Cash & cash equivalents (Refer note 11) | 291,860 | 105,307 |
| Total | 2,685,388 | 2,199,330 |

(Amount in USD)

| 13 | Other current assets (Unsecured, considered good unless otherwise stated) | As at | As at |
|----|------------------------------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Prepaid expenses | 8,528 | - |
| | Advance to suppliers | 4,874 | - |
| | Total | 13,402 | - |

13.1 No advances are due from directors or other officers of the Company either severally or jointly with any other person or from company having common director/member.

14 Share capital

(Amount in USD)

| 14.1 | Issued, subscribed and paid-up capital | As at | As at |
|------|-------------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Equity share Capital | | |
| | 200 (Previous year :200) Equity Shares of USD 25 each | 1,358,000 | 1,358,000 |
| | Total | 1,358,000 | 1,358,000 |

(Amount in USD)

| 14.2 | Reconciliation of number of shares outstanding | As at | As at |
|------|------------------------------------------------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| | Shares outstanding at beginning of the year | 1,358,000 | 1,358,000 |
| | Shares issued during the year | - | - |
| | Shares bought back during the year | - | - |
| | Shares outstanding at the end of the year | 1,358,000 | 1,358,000 |

14.3 Equity Shares held by each shareholder holding more than 5% shares

| Name of shareholder | As at | | As at | |
|-------------------------------|------------------|--------------|------------------|--------------|
| | 31st March, 2019 | | 31st March, 2018 | |
| | Number of Shares | % of holding | Number of Shares | % of holding |
| Pradeep Metals Limited, India | 1,358,000 | 100.00 | 1,358,000 | 100.00 |

14.4 The Company has only one class of issued shares having a par value of USD 25 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.5 Details of Holding and/ or their Subsidiaries Company

| Name of shareholder | 31st March 2019 | | 31st March 2018 | |
|---------------------|-------------------------------|--------------|------------------|--------------|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| | Pradeep Metals Limited, India | 1,358,000 | 100.00 | 1,358,000 |

(Amount in USD)

| 15 | Borrowings (Non current) | As at 31st March, 2019 | As at 31st March, 2018 |
|----|------------------------------------------|---------------------------|---------------------------|
| | Secured | | |
| | Term loan | | |
| | From bank (Refer note 15.1 (i) and 15.2) | 2,110,000 | 2,470,000 |
| | Unsecured loan | | |
| | From Holding Company | 250,000 | 350,000 |
| | Total | 2,360,000 | 2,820,000 |

15.1 Details of security provided

Term loan is secured by (a) first charge on pari passu basis over the fixed assets of the Holding Company and its corporate guarantee and second charge on current assets of Holding Company, (b) pledge over 60 shares and non-disposal undertaking of 140 shares held by Holding Company, (c) pledge of over 30% membership interest and non-disposal undertaking of 21% membership interest held by the Company in WOS and (d) Personal guarantee of Chairman and Managing Director of the Holding Company.

15.2 Terms of repayment

| Particulars | Amount | Terms of repayment |
|----------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term loan from Bank | | |
| - Term Loan 1 | 1,350,000 | USD 20,00,000 repayable in quarterly installments [3 installments of USD 1,00,000, 12 installments of USD 50,000 and 5 installments of 2,20,000] starting from 31st October 2016 till 31st July 2021. |
| - Term Loan 2 | 1,120,000 | USD 12,00,000 repayable in quarterly installments [12 installments of USD 40,000 and 6 installments of 1,20,000] starting from 31st December 2018 till 31st January 2023. |
| Total | 2,470,000 | |

Above figures are including current maturity as disclosed in note 17.

(Amount in USD)

| 16 | Trade payables | As at 31st March, 2019 | As at 31st March, 2018 |
|----|-----------------------|---------------------------|---------------------------|
| | Trade payables | | |
| | Trade payables | 3,079,299 | 2,550,860 |
| | Total | 3,079,299 | 2,550,860 |

16.1 Terms & conditions of the above financial liabilities:

Trade payables are non-interest bearing and are generally settled on 15 to 270 days terms For details of balances outstanding of related parties, refer note 26.3)

(Amount in USD)

| 17 | Other current financial liabilities | As at 31st March, 2019 | As at 31st March, 2018 |
|----|---------------------------------------------------------------|---------------------------|---------------------------|
| | Current maturity of long term borrowing (Term loan from bank) | 360,000 | 280,000 |
| | Interest accrued but not due | 43,599 | 38,257 |
| | Amount payable to Holding Company | 25,000 | 15,601 |
| | Accrued expenses | 11,630 | 25,486 |
| | Other liabilities* | 28,210 | - |
| | Total | 468,439 | 359,344 |

*Other liabilities includes excess custom duty payable to Texas

17.1 Break up of financial liabilities carried at amortised cost

(Amount in USD)

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|------------------------------------------------|---------------------------|---------------------------|
| Borrowings (refer note no.15) | 2,360,000 | 2,820,000 |
| Trade payable (refer note no.16) | 3,079,299 | 2,550,860 |
| Other financial liabilities (refer note no.17) | 468,439 | 359,344 |
| Total | 5,907,738 | 5,730,203 |

Pradeep Metals Limited Inc, USA
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2019

| (Amount in USD) | | | |
|-------------------------------|----------------|--------------------------------|--------------------------------|
| 18 Revenue from operations | | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Sale of products | (A) | 5,012,221 | 3,311,818 |
| Other operating revenue | | | |
| - Sundry Balance Written Back | (B) | 42,526 | 28,955 |
| Total | (A + B) | 5,054,747 | 3,340,772 |

18.1 Disclosures of Ind AS

Effective from 1st April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 Revenue from contracts with customers replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Adoption of new standard does not have any impact on revenue recognition for current year as well as earlier years. Refer Significant accounting policies on Revenue recognition.

(a) Contracts with customer and significant judgement in applying the standard:

(i) The Company operations relates to trading and selling of forged and machined components for various sectors. The Company caters to international markets.

The Company applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer significant accounting policies on Revenue recognition.

(ii) For details of revenue recognised from contracts with customers, refer note 18 above.

(iii) There are no contract assets arising from the Company contract with customers.

18.2 Reconciliation of revenue recognized with the contracted price is as follows:

| (Amount in USD) | | | |
|------------------------------------------------------------|---------------------|---------------------|--|
| Particulars | For the year ended | | |
| | 31st March, 2019 | 31st March, 2018 | |
| Contracted price | 5,054,746.63 | 3,340,772.34 | |
| Less: Reductions towards variable consideration components | - | - | |
| Revenue recognised | 5,054,746.63 | 3,340,772.34 | |

The reduction towards variable consideration comprises of volume discounts.

| (Amount in USD) | | | |
|-----------------------------------------------------|--|--------------------------------|--------------------------------|
| 19 Purchase of stock in trade | | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Purchases [including custom duty (net of recovery)] | | 4,258,018 | 3,009,105 |
| Total | | 4,258,018 | 3,009,105 |

| (Amount in USD) | | | |
|--------------------------------------------------------------------------|--|--------------------------------|--------------------------------|
| 20 Changes in inventories of work-in-progress, scrap, and stock in trade | | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Inventory at the beginning of the year | | | |
| Stock in trade | | 806,531 | 705,554 |
| Inventory at the end of the year | | | |
| Stock in trade | | 780,010 | 806,531 |
| Total | | 26,520 | (100,977) |

| (Amount in USD) | | | |
|-----------------------------|--|--------------------------------|--------------------------------|
| 21 Finance cost | | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Interest on bank loans | | 161,512 | 123,216 |
| Other interest costs* | | 21,079 | 15,410 |
| Corporate guarantee charges | | 26,317 | 24,059 |
| Bank charges | | 182 | 24,017 |
| Total | | 209,089 | 186,702 |

* Other interest costs includes interest paid/ payable to holding company.

| (Amount in USD) | | | |
|------------------------------------|--|--------------------------------|--------------------------------|
| 22 Other expenses | | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Management fees | | 95,060 | - |
| Rates and taxes | | 4,428 | 4,140 |
| Warehousing Charges | | 95,696 | 95,646 |
| Professional fees | | 37,819 | 70,316 |
| Communication expenses | | 2,547 | 5,019 |
| Travelling and conveyance expenses | | 16,608 | 5,374 |
| Repairs and maintenance - Others | | 4,879 | - |
| Bad debts | | 248 | - |
| Miscellaneous expenses* | | 3,428 | 2,931 |
| Total | | 260,715 | 183,624 |

* Miscellaneous expenses includes Postage & Courier, Penalty, etc.

| (Amount in USD) | | | |
|-----------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| 23 Earnings per equity share | | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| Numerator for basic and diluted EPS | | | |
| Net profit after tax attributable to shareholders of parent (Amount in USD) | (A) | 296,643 | 58,804 |
| Denominator for basic EPS | | | |
| Weighted average number of equity shares for basic EPS | (B) | 1,358,000 | 1,358,000 |
| Denominator for diluted EPS | | | |
| Weighted average number of equity shares for diluted EPS | (C) | 1,358,000 | 1,358,000 |
| Basic earnings per share of face value of Rs.10/- each (in Rs.) | (A/B) | 0.22 | 0.04 |
| Diluted earnings per share of face value of Rs.10/- each (in Rs.) | (A/C) | 0.22 | 0.04 |

24 Contingent liabilities

(A) There are no contingent liabilities in WOS as well as SDS.

25 Capital and other commitments

a Capital Commitment (net of advance paid) - USD Nil (Previous Year: USD Nil).

b In respect of lease arrangement, Company has commitment to take over the machine at nominal value. Amount will be quantified at the end of lease period in the year 2019.

26 Related party disclosure

26.1 Names of related parties (As Identified by Management)

| Description of relationship | Name of the Related Party |
|-----------------------------|------------------------------------------------------------------------------------|
| Holding company | Pradeep Metals Limited, India |
| Wholly owned subsidiary | Dimensional Machine Works, LLC |
| Key Managerial Personnel | Pradeep Goyal, Director Abhinav Goyal, Director Jayawardhan Dwain (Director) |

Pradeep Metals Limited Inc, USA
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2019
26.2 Transactions with related parties during the year

| | | (Amount in USD) | |
|--------------------------------|------------------------------------|-----------------|--------------|
| Name of the party | Nature of the transaction | 2018-19 | 2017-18 |
| Pradeep Metals Limited, India | Purchase goods | 4,137,089 | 2,948,200.40 |
| | Guarantee commission paid | 26,317 | 24,059 |
| | Loan Received from Holding Company | - | 350,000 |
| | Interest on Loan | 21,079 | 15,410 |
| | Corporate Gurantee Given | - | 1,200,000 |
| | Loan repaid to Holding Company | 100,000 | - |
| Dimensional Machine Works, LLC | Temporary Advances | 143,603 | 32,766 |
| | Loan and Advances | 469,049 | - |
| | Purchase | 1,767 | - |
| | Management fees | 95,060 | - |

26.3 Balance outstanding as at the year end

| | | (Amount in USD) | |
|-------------------------------|--------------------------------|-----------------|-----------|
| Name of the party | Nature of outstanding | 2018-19 | 2017-18 |
| Pradeep Metals Limited, India | Payable | 3,091,532 | 2,481,370 |
| | Guarantee commission Paid | 2,092 | 8,718 |
| | Loan from Holding Company | 250,000 | 350,000 |
| | Interest on Loan | 1,439 | 5,985 |
| | Investments | 1,358,000 | 1,358,000 |
| | Corporate Gurantee Outstanding | 2,470,000 | 2,750,000 |
| Dimensional Machine Works | Investment | 3,846,662 | 3,846,662 |
| | Loan and Advances | 1,170,781 | 701,734 |
| | Temporary Advances | 143,603 | 32,766 |
| | Purchase | 1,767 | - |
| | Management fees | 95,060 | - |

Note:

In addition to above transactions, Pradeep Metals Limited, India (Holding Company) has given guarantee for term loan facility availed by Company from Bank.

27 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of 31st March 2019, other than those with carrying amounts that are reasonable approximates of fair values:

| Particulars | Carrying value | | Fair Value | |
|-------------------------------------------|------------------|------------------|------------------|------------------|
| | As at | As at | As at | As at |
| | 31st March 2019 | 31st March 2018 | 31st March 2019 | 31st March 2018 |
| (i) Investment in subsidiary | 3,846,662 | 3,846,662 | 3,846,662 | 3,846,662 |
| (ii) Loans | 1,170,781 | 701,732 | 1,170,781 | 701,732 |
| (iii) Other non-current financial assets | 3,822 | 30,293 | 3,822 | 30,293 |
| (iv) Trade receivables | 1,081,089 | 1,329,233 | 1,081,089 | 1,329,233 |
| (v) Cash and cash equivalents | 291,860 | 105,307 | 291,860 | 105,307 |
| (vi) Other current financial assets | 137,836 | 32,766 | 137,836 | 32,766 |
| Total financial assets | 6,532,050 | 6,045,992 | 6,532,050 | 6,045,992 |
| (i) Borrowings (Non-current) | 2,360,000 | 2,820,000 | 2,360,000 | 2,820,000 |
| (ii) Trade payable | 3,079,299 | 2,550,860 | 3,079,299 | 2,550,860 |
| (iii) Other current financial liabilities | 468,439 | 359,344 | 468,439 | 359,344 |
| Total financial liabilities | 5,907,738 | 5,730,203 | 5,907,738 | 5,730,203 |

The management assessed that the fair value of cash and cash equivalent, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

28 Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company assesses its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

c Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 48 for further disclosures.

d Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f Provision for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving inventories has been made in the financial statement

29 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee (RMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The RMC provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by experienced members from the senior management who have the relevant expertise, appropriate skills and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The policies for managing each of these risks are summarised as below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place as at 31st March 2019.

Pradeep Metals Limited Inc, USA
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2019

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The total interest cost the year ended 31st March 2019 was USD 209,089.00 and for year ended 31st March 2018 was USD 186,702.00. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Change in basis points | Effect on PBT and equity (Amt. in USD) |
|-----------------|------------------------|----------------------------------------|
| 31st March 2019 | +50 | 8.17 |
| | -50 | (9.17) |
| 31st March 2018 | +50 | 8.70 |
| | -50 | (8.70) |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Commodity price risk

Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of steel. Due to significant volatility of the price of the steel, the Company has agreed with its customers for pass-through of increase/decrease in prices of steel. There may be lag effect in case of such pass-through arrangement.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other receivables and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Further, Company's customers includes companies having long standing relationship with the Company. Outstanding customer receivables are regularly monitored and reconciled. At 31st March 2019, Four customers represent more than 10% receivables outstanding. In case of financial year 2017-18 Three customers represent more than 10% receivables outstanding. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Companyed into homogeneous Companies and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Company does not hold collateral as security except in case of few customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk

As per the Company's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Company evaluates the option of refinancing entire or part of repayments for extended maturity. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Company.

The table below summarises the maturity profile of the Company's financial liabilities

(Amount in USD)

| Particulars | As at | |
|------------------------------------------|------------------|------------------|
| | 31st March 2019 | 31st March 2018 |
| Less than 1 year | | |
| Trade and other payables | 3,079,299 | 2,550,860 |
| Other financial liabilities | 468,439 | 359,344 |
| Current maturity of long term borrowings | 360,000 | 280,000 |
| | 3,907,738 | 3,190,203 |
| 1 to 5 years | | |
| Borrowings | 2,360,000 | 2,820,000 |
| Trade and other payables | - | - |
| | 2,360,000 | 2,820,000 |
| Total | 6,267,738 | 6,010,203 |

30 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the , return capital to shareholders or issue new shares. The Company monitors capital using a debt equity ratio, which is debt divided by equity.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2019 and 31st March 2018.

31 The Company had no employees during the year, accordingly there are no employee benefit expenses which needs to be provided for

32 Segment Reporting

The Company operates in a single business and geographical segment viz., trading in steel products. Accordingly, no separate segment disclosure as required by Ind AS 108-11 "Operating Segment" is required.

33 Cash flow statement related

33.1 Aggregate outflow on account of direct taxes paid is USD. Nil (Previous year : USD Nil).

33.2 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Amount in USD)

| Particulars | As at 31st March 2018 | Cash Flows | Non Cash Changes | As at 31st March 2019 |
|------------------------------|-----------------------|---------------------|------------------|-----------------------|
| Long Term Borrowings | 2,820,000.00 | (460,000.00) | - | 2,360,000.00 |
| Short Term Borrowings | - | - | - | - |
| Total Liabilities fro | 2,820,000.00 | (460,000.00) | - | 2,360,000.00 |

(Amount in USD)

| Particulars | As at 31st March 2018 | Cash Flows | Non Cash Changes | As at 31st March 2019 |
|------------------------------|-----------------------|---------------------|------------------|-----------------------|
| Long Term Borrowings | 1,400,000.00 | 1,420,000.00 | - | 2,820,000.00 |
| Short Term Borrowings | - | - | - | - |
| Total Liabilities fro | 1,400,000.00 | 1,420,000.00 | - | 2,820,000.00 |

34 Previous years comparatives

Previous Year Figures have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors of Pradeep Metals Limited Inc, USA

Abhinav Goyal

Director

Place : Navi Mumbai

Date: 15th May 2019

4 Property plant & equipment and intangible assets

4.1 Property plant & equipment and intangible assets as at 31st March 2019

(Amount in USD)

| Particulars | Gross block | | | | Depreciation/ amortization | | | | Net block |
|--------------------------|--------------------|-----------|------------|---------------------|----------------------------|--------------|-------------------------|---------------------|---------------------|
| | At 1st April, 2018 | Additions | Deductions | At 31st March, 2019 | At 1st April 2018 | For the year | Deletions / adjustments | At 31st March, 2019 | At 31st March, 2019 |
| Tangible assets | | | | | | | | | |
| Computer | 2,125 | - | - | 2,125 | 125 | 304 | - | 428 | 1,696 |
| Intangible assets | | | | | | | | | |
| Computer Software | 24,208 | - | - | 24,208 | 3,389 | 3,458 | - | 6,847 | 17,361 |
| Total | 26,332 | - | - | 26,332 | 3,513 | 3,762 | - | 7,275 | 19,057 |

4.2 Property plant & equipment and intangible assets as at 31st Mar 2018

(Amount in USD)

| Particulars | Gross block | | | | Depreciation/ amortization | | | | Net block |
|--------------------------|-------------------|---------------|------------|---------------------|----------------------------|--------------|-------------------------|---------------------|---------------------|
| | At 1st April 2017 | Additions | Deductions | At 31st March, 2018 | At 1st April 2017 | For the year | Deletions / adjustments | At 31st March, 2018 | At 31st March, 2018 |
| Tangible assets | | | | | | | | | |
| Computer | - | 2,125 | - | 2,125 | - | 125 | - | 125 | 2,000 |
| Intangible assets | | | | | | | | | |
| Computer Software | - | 24,208 | - | 24,208 | - | 3,389 | - | 3,389 | 20,819 |
| Total | - | 26,332 | - | 26,332 | - | 3,513 | - | 3,513 | 22,819 |

Pradeep Metals Limited Inc, USA
Standalone Unaudited Cash Flow Statement for the Year Ended 31st March 2019

(Amount in USD)

| Particulars | Note | 2018- 2019 USD | 2017-2018 USD |
|--------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net profit/(loss) before taxation and prior period item | | 296,643 | 58,804 |
| Adjustments for: | | | |
| Depreciation | 3,762 | | 3,513 |
| Interest expenses | 209,089 | | 186,702 |
| | | 212,851 | 190,216 |
| Operating profit before changes in assets and liabilities | | 509,494 | 249,020 |
| Movements in working capital : [Current and Non-current] | | | |
| (Increase) / decrease in loans & advances and other current assets | (97,001) | | 232,442 |
| (Increase) / decrease in inventories | 26,520 | | (100,977) |
| (Increase) / decrease in trade receivable | 248,143 | | (989,347) |
| Increase / (decrease) in trade payable, other current liabilities and provisions | 552,193 | 729,856 | (84,972) |
| Net cash generated/ (used in) from operating activities...(A) | | 1,239,350 | 164,048 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets (tangible / intangible) (Including capital advances & work in Progress) | | - | (26,332) |
| Investment in wholly owned subsidiary | | - | (609,511) |
| Loan to wholly owned subsidiary | | (469,049) | (701,732) |
| Net cash generated / (used in) from investing activities...(B) | | (469,049) | (1,337,574) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of term borrowing | (380,000) | | 1,300,000 |
| Interest paid on loans | (203,747) | | (193,709) |
| Net cash generated / (used) from financing activities...(C) | | (583,747) | 1,106,291 |
| Net increase in cash and cash equivalents...(A + B + C) | | 186,553 | (67,236) |
| Cash and cash equivalents at the beginning of the year | | 105,307 | 172,543 |
| Cash and cash equivalents at the end of the year | 12 | 291,860 | 105,307 |
| | | 186,553 | (67,236) |
| Significant accounting policies | 1 | | |
| Other notes | 1 to 34 | | |

Notes referred to herein above form an integral part of financial statements.

For and on behalf of the Directors of
Pradeep Metals Limited Inc, USA

Abhinav Goyal
Director

Place : Navi Mumbai
Date : 15th May 2019