

**Dimensional Machine Works LLC**  
**Standalone Unaudited Balance Sheet as at 31st March, 2020**

(Amount in USD)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	4.1	829,967	999,969
Right of use assets	4.2	154,779	-
Other intangible assets	4.1	760,320	1,119,363
Financial Assets			
(i) Other non current financial assets	5	3,450	6,438
		<b>1,748,516</b>	<b>2,125,770</b>
<b>Current assets</b>			
Inventories	6	839,408	815,137
Financial assets			
(i) Trade receivables	7	320,552	119,331
(ii) Cash and cash equivalents	8	109,694	111,366
(iii) Loans	9	1,100	1,970
(iv) Other current financial assets	10	-	41,866
Other current assets	11	-	14,181
		<b>1,270,754</b>	<b>1,103,851</b>
<b>TOTAL ASSETS</b>		<b>3,019,270</b>	<b>3,229,621</b>
<b>CAPITAL AND LIABILITIES</b>			
<b>Capital</b>			
Member's capital	12	3,620,111	3,620,111
Other equity		(3,237,254)	(2,181,953)
		<b>382,857</b>	<b>1,438,158</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	13	37,774	79,459
(ii) Lease liabilities	29	49,259	-
		<b>87,033</b>	<b>79,459</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	1,626,935	1,170,781
(ii) Trade payable	15	400,864	191,602
(iii) Lease liabilities	29	112,096	-
(iv) Other current financial liabilities	16	374,840	304,196
Other current liabilities	17	34,645	45,425
		<b>2,549,380</b>	<b>1,712,004</b>
<b>Total</b>		<b>3,019,270</b>	<b>3,229,621</b>
<b>Significant accounting policies &amp; other notes</b>	1 to 37		

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

**For Dimensional Machine Works LLC, USA**

**Abhinav Goyal**  
 Manager

Place : Navi Mumbai  
 Date : 29th June 2020

**Dimensional Machine Works LLC**  
**Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2020**

(Amount in USD)

Particulars	Note No.	Year ended 31st March 2020	Year ended 31st March 2019
<b>Income</b>			
Revenue from operations	18	1,841,191	1,513,743
Other income	19	797	13,391
<b>Total revenue</b>		<b>1,841,988</b>	<b>1,527,134</b>
<b>Expenses</b>			
Trade Purchases		193,729	-
Cost of materials consumed	20	298,567	107,250
Changes in inventory of work-in-progress and finished goods	21	8,245	29,319
Manufacturing expenses	22	403,807	695,732
Employee benefit expenses	23	1,038,013	997,155
Finance costs	24	23,382	20,392
Depreciation and amortization expense	4.1	358,416	257,414
Other expenses	25	116,294	231,285
<b>Total expenses</b>		<b>2,440,453</b>	<b>2,338,547</b>
<b>Loss before exceptional item and tax</b>		<b>(598,465)</b>	<b>(811,413)</b>
Less: Exceptional items	26	456,836	-
<b>Loss before tax</b>		<b>(1,055,301)</b>	<b>(811,413)</b>
<b>Tax expense:</b>			
- Current tax		-	-
- Short/(excess) provision for tax of earlier year		-	-
- Deferred tax charge/ (Credit)		-	-
<b>Net loss for the year</b>		<b>(1,055,301)</b>	<b>(811,413)</b>
<b>Significant accounting policies &amp; other notes</b>	1 to 37		

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

**For Dimensional Machine Works LLC, USA**

**Abhinav Goyal**  
Manager

Place : Navi Mumbai  
Date : 29th June 2020

Dimensional Machine Works LLC  
Standalone Unaudited Cash Flow Statement for the year ended 31st March 2020

(Amount in USD)

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit/(loss) before taxation and prior period item		(1,055,301)	(811,413)
Adjustments for:			
Depreciation		358,416	257,415
Impairment of goodwill		356,836	-
Bad debts/ sundry balances written off		-	7,190
Profit on sale of assets		-	(12,115)
Interest expenses		23,382	20,392
Gain on Capital Lease		-	-
		<u>738,634</u>	<u>272,882</u>
<b>Operating profit before changes in assets and liabilities</b>		<b>(316,667)</b>	<b>(538,531)</b>
Movements in working capital : [Current and Non-current]			
(Increase) / decrease in loans & advances and other current		59,904	(50,312)
(Increase) / decrease in inventories		(24,271)	25,297
(Increase) / decrease in trade receivable		(201,221)	80,578
Increase / (decrease) in trade payable, other current liabilities and		285,209	138,899
		<u>119,621</u>	<u>194,462</u>
<b>Net cash generated/ (used in) from operating activities...(A)</b>		<b><u>(197,046)</u></b>	<b><u>(344,069)</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(76,950)	(294,516)
Sale of fixed asset		-	297,143
		<u>(76,950)</u>	<u>2,628</u>
<b>Net cash generated / (used in) from investing activities...(B)</b>		<b><u>(76,950)</u></b>	<b><u>2,628</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowing		-	35,478
Repayment of long term borrowing		(57,770)	(36,940)
Repayment of lease liabilities		(102,680)	-
Proceeds from short term borrowing		456,156	469,049
Interest paid on loans		(23,382)	(20,392)
		<u>272,324</u>	<u>447,195</u>
<b>Net cash generated / (used) from financing activities...(C)</b>		<b><u>272,324</u></b>	<b><u>447,195</u></b>
<b>Net increase in cash and cash equivalents...(A + B + C)</b>		<b><u>(1,672)</u></b>	<b><u>105,754</u></b>
Cash and cash equivalents at the beginning of the year		111,366	5,612
Cash and cash equivalents at the end of the year	15	<u>109,694</u>	<u>111,366</u>
		<b><u>(1,672)</u></b>	<b><u>105,754</u></b>
Significant accounting policies & other notes	1 to 37		

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

For Dimensional Machine Works LLC  
USA

Abhinav Goyal  
Manager

Place : Navi Mumbai  
Date : 29th June 2020

Standalone Statement of changes in equity for the year ended 31st March 2020

(Amount in USD)

Particulars	Attributable to Owners		Total (A+B)
	Equity share capital (A)	Reserves and surplus (B)	
		Retained earnings	
<b>Balance as at 31st March 2018</b>	<b>3,620,111</b>	<b>(1,370,540)</b>	<b>2,249,571</b>
Balance at 1st April 2018	3,620,111	(1,370,540)	2,249,571
Profit / (loss) for the year ended 31st March 2019	-	(811,413)	(811,413)
<b>Balance as at 31st March 2019</b>	<b>3,620,111</b>	<b>(2,181,953)</b>	<b>1,438,158</b>
Balance at 1st April 2019	3,620,111	(2,181,953)	1,438,158
Profit / (loss) for the year ended 31st March 2020	-	(1,055,301)	(1,055,301)
<b>Balance as at 31st March 2020</b>	<b>3,620,111</b>	<b>(3,237,254)</b>	<b>382,857</b>

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 : 29th June 2020

## Notes on standalone financial statements for the year ended 31st March, 2020

## 4 Property plant &amp; equipment and intangible assets

## 4.1 Property plant &amp; equipment and intangible assets as at 31st March, 2020

Particulars	Gross block				Depreciation/ amortization			Net block	
	At 1st April 2019	Additions	Deductions	At 31st March 2020	At 1st April 2019	For the year	Impairment	At 31st March 2020	At 31st March 2020
<b>Tangible assets</b>									
Plant and Machinery	1,370,575	76,950	-	1,447,525	451,407	219,118	-	670,525	777,000
Furniture and Fixtures	3,309	-	-	3,309	1,119	622	-	1,741	1,568
Vehicles	40,287	-	-	40,287	7,968	8,057	-	16,025	24,262
Leasehold Improvements	57,466	-	-	57,466	11,174	19,155	-	30,329	27,137
<b>Total</b>	<b>1,471,637</b>	<b>76,950</b>	<b>-</b>	<b>1,548,587</b>	<b>471,668</b>	<b>246,953</b>	<b>-</b>	<b>718,621</b>	<b>829,967</b>
<b>Intangible assets</b>									
Goodwill	1,113,020	-	-	1,113,020	-	-	356,836	356,836	756,184
Software	11,033	-	-	11,033	4,690	2,207	-	6,897	4,136
<b>Total</b>	<b>2,595,690</b>	<b>76,950</b>	<b>-</b>	<b>2,672,640</b>	<b>476,357</b>	<b>249,160</b>	<b>356,836</b>	<b>1,082,353</b>	<b>1,590,287</b>

4.2 Considering the COVID 19 impact on market conditions, expected demand and earlier year financial performances, in the opinion of the management, Goodwill amounting to USD 352,960 is impaired.

## 4.3 Right of use asset (Refer note 29)

Particulars	Leasehold Land
<b>Gross carrying value</b>	
Balance as at 31st March, 2018	-
Additions in 2018-2019	-
Deletions in 2018-2019	-
<b>Balance as at 31st March, 2019</b>	<b>-</b>
Reclassification in 2019-20 (refer note 29)	264,034
Additions in 2019-2020	-
Deletions in 2019-2020	-
<b>Balance as at 31st March, 2020</b>	<b>264,034</b>
<b>Accumulated amortization</b>	
Balance as at 31st March, 2018	-
Charge for the year 2018-2019	-
Deletions in 2018-2019	-
<b>Balance as at 31st March, 2019</b>	<b>-</b>
Reclassification in 2019-20 (refer note 29)	-
Charge for the year 2019-2020	109,255
Deletions in 2019-2020	-
<b>Balance as at 31st March, 2020</b>	<b>109,255</b>
<b>Net carrying amount</b>	
Balance as at 31st March, 2019	-
<b>Balance as at 31st March, 2020</b>	<b>154,779</b>

## 4.4 Property plant &amp; equipment and intangible assets as at 31st March 2019

Particulars	Gross block				Depreciation/ amortization			Net block	
	At 1st April 2018	Additions	Deductions	At 31st Mar 2019	At 1st April 2018	For the year	Deletions / adjustments	At 31st Mar 2019	At 31st Mar 2019
<b>Tangible assets</b>									
Plant and Machinery	1,633,611	196,763	459,799	1,370,575	424,142	224,308	197,044	451,407	919,168
Furniture and Fixtures	3,309	-	-	3,309	497	622	-	1,119	2,190
Vehicles	57,272	40,287	57,272	40,287	33,408	19,104	44,544	7,968	32,319
Leasehold Improvements	-	57,466	-	57,466	-	11,174	-	11,174	46,292
<b>Total</b>	<b>1,694,192</b>	<b>294,516</b>	<b>517,071</b>	<b>1,471,637</b>	<b>458,047</b>	<b>255,209</b>	<b>241,588</b>	<b>471,668</b>	<b>999,969</b>
<b>Intangible assets</b>									
Goodwill	1,113,020	-	-	1,113,020	-	-	-	-	1,113,020
Software	11,033	-	-	11,033	2,483	2,207	-	4,690	6,343
<b>Total</b>	<b>2,818,245</b>	<b>294,516</b>	<b>517,071</b>	<b>2,595,690</b>	<b>460,530</b>	<b>257,415</b>	<b>241,588</b>	<b>476,357</b>	<b>2,119,333</b>

**Dimensional Machine Works LLC**
**Standalone notes on unaudited financial statements for the year ended 31st March, 2020**

(Amount in USD)

5 <b>Other non current financial assets</b> (Unsecured, considered good unless otherwise stated)	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Deposits	3,450	6,438
<b>Total</b>	<b>3,450</b>	<b>6,438</b>

(Amount in USD)

6 <b>Inventories</b> (At lower of cost or net realisable value unless otherwise stated)	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Raw materials	161,880	33,236
Finished goods	569,978	704,139
Stock in trade	10,671	-
Goods in transit	6,128	-
Work in progress	82,856	73,740
Spares	7,895	4,023
<b>Total</b>	<b>839,408</b>	<b>815,137</b>

- 6.1 Considering impact of COVID 19, oil industries crisis and suspension of orders for navy products, in view of the management, the value of inventory of finished goods is reduced by USD 100,000.

(Amount in USD)

7 <b>Trade receivables</b> (Unsecured, considered good unless otherwise stated)	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Considered good	320,551	119,331
<b>Total</b>	<b>320,551</b>	<b>119,331</b>

- 7.1 No trade receivables are due from members or other officers of the Company either severally or jointly with any other person.

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

- 7.3 Refer note 33 for policy on expected credit loss.

**7.4 Reliance on major customers:**

Three customers represent more than 10% of the total revenue individually. Revenue from these major customers amounts to USD 1,142,409.40 i.e. 60.86% of total revenue. In case of previous year also three customers represented more than 10% of total revenue individually. Total revenue from these three customers amounted to USD 1,228,624.76.

(Amount in USD)

8 <b>Cash and cash equivalent</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>Cash and cash equivalent</b>		
Balance with bank - In current accounts	109,694	111,366
<b>Total</b>	<b>109,694</b>	<b>111,366</b>

(Amount in USD)

9 <b>Loans</b> (Unsecured, considered good otherwise stated)	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Loan to employee	1,100	1,970
<b>Total</b>	<b>1,100</b>	<b>1,970</b>

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

**Dimensional Machine Works LLC**
**Standalone notes on unaudited financial statements for the year ended 31st March, 2020**

(Amount in USD)

10	<b>Other current financial assets</b> (Unsecured, considered good unless otherwise stated)	As at	As at
		31st March 2020	31st March 2019
	Receivable from Pradeep Metals India	-	2,755
	Other receivables	-	39,111
	<b>Total</b>	<b>-</b>	<b>41,866</b>

**10.1 Break up of financial assets carried at amortised cost**

10.1	<b>Other current financial assets</b>	As at	As at
		31st March 2020	31st March 2019
	Loans (Refer note 9.1)	1,100	1,970
	Other financial assets (Refer note 5 & 10)	3,450	48,304
	Trade receivables (Refer note 7)	320,552	119,331
	Cash & cash equivalents (Refer note 8)	109,694	111,366
	<b>Total</b>	<b>434,796</b>	<b>280,970</b>

(Amount in USD)

11	<b>Other current assets</b> (Unsecured, considered good unless otherwise stated)	As at	As at
		31st March 2020	31st March 2019
	Advance to supplier	-	14,181
	<b>Total</b>	<b>-</b>	<b>14,181</b>

11.1 No advances are due from members or other officers of the Company either severally or jointly with any other person.

(Amount in USD)

12	<b>Partner's equity capital</b>	As at	As at
		31st March 2020	31st March 2019
	Pradeep Metals Limited Inc., USA	3,620,111	3,620,111
	<b>Total</b>	<b>3,620,111</b>	<b>3,620,111</b>

12.1	<b>Reconciliation of number of shares outstanding</b>	As at	As at
		31st March 2020	31st March 2019
	Shares outstanding at beginning of the year	1	1
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	<b>1</b>	<b>1</b>

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

Name of shareholder	As at		As at	
	31st March 2020		31st March 2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Pradeep Metals Limited, Inc, USA	1	100.00	1	100.00

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.

## 12.3 Details of Holding and/ or their Subsidiaries Company

Name of shareholder	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Pradeep Metals Limited, Inc, USA	1	0.00	3,620,111	100.00

(Amount in USD)

13 Borrowings (Non current)	As at 31st March 2020	As at 31st March 2019
<b>Secured</b>		
<b>Term loan</b>		
From bank		
- Machinery loan	37,774	79,459
<b>Total</b>	<b>37,774</b>	<b>79,459</b>

## 13.1 Details of security provided

(i) Machinery loan taken is secured against hypothecation of machine. Further, machinery loan is guranteed by holding company.

## 13.2 Terms of repayment

Particulars	Amount	Terms of repayment
<b>Term loan from Bank</b>	63,085	Machinery loan - repayable in installments till August 2022
- Machinery Loan		
- Leasehold land loan	161,355	repayment started from September 2018 in 36 installments.
<b>Total</b>	<b>224,440</b>	

(Amount in USD)

14 Borrowings (Current)	As at 31st March 2020	As at 31st March 2019
Loan from Pradeep Metals Ltd, Inc (Repayable on demand)	1,626,935	1,170,781
<b>Total</b>	<b>1,626,935</b>	<b>1,170,781</b>

(Amount in USD)

15 Trade payable	As at 31st March 2020	As at 31st March 2019
Trade payable	400,864	191,602
<b>Total</b>	<b>400,864</b>	<b>191,602</b>

15.1 No trade payables are due to directors or other officers of the Company either severally or jointly with any other person. Payable to holding company is USD 5,041 (Previous year : USD Nil) and payable to ultimate holding company is USD 175,280 (Previous year : USD Nil).

## 15.2 Terms &amp; conditions of the above financial liabilities:

Trade payables are non-interest bearing and are generally settled in 15 to 270 days terms. For details of balances outstanding of related parties. (refer note 30.3)



## Dimensional Machine Works LLC

## Standalone notes on unaudited financial statements for the year ended 31st March, 2020

(Amount in USD)

16 Other current financial liabilities	As at 31st March 2020	As at 31st March 2019
Payable to Holding Company	113,832	89,816
Current maturity of loan		
- Machinery loan	25,311	20,265
Amount payable to OSHA	4,857	-
Others liabilities	62,156	52,523
Salary and wages payable	161,886	113,662
Current maturity of finance lease obligations	6,798	27,929
<b>Total</b>	<b>374,840</b>	<b>304,196</b>

(Amount in USD)

16.1 Break up of financial liabilities carried at amortised cost	As at 31st March 2020	As at 31st March 2019
Borrowings (refer note no.13 & 14)	1,664,710	1,250,240
Trade payable (refer note no.15)	400,864	191,602
Other financial liabilities (refer note no.16)	374,840	304,196
<b>Total</b>	<b>2,440,414</b>	<b>1,746,038</b>

(Amount in USD)

17 Other current liabilities	As at 31st March 2020	As at 31st March 2019
Payable to Statutory Authorities	34,645	45,425
<b>Total</b>	<b>34,645</b>	<b>45,425</b>

Dimensional Machine Works LLC  
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in USD)

18 Revenue from operations	Year ended 31st	Year ended 31st
	March 2020	March 2019
Sales- Machined components	1,129,941	1,389,342
Sales- Trading	285,656	-
Scrap Sales	2,909	11,132
Sales-Job Work	139,280	-
<b>Other Operating Revenue</b>		
Sundry balance written back	19,404	18,210
Management Fee	264,000	95,060
<b>Total</b>	<b>1,841,190</b>	<b>1,513,743</b>

18.1 Disclosures of Ind AS 115:

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 relate manufacture and trading activities 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.

(b) Disaggregation of revenue

(i) For disaggregation of revenue, refer break-up given in note 18 above.

(ii) Details regarding customer concentration that represents 10% or more of the Group's total revenue during the year ended 31st March 2020 in note no 7.4

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

Particulars	For the year ended	
	31st March, 2020	31st March, 2019
Contracted price	1,852,043	1,528,026
Less: Reductions towards variable consideration components	10,853	14,283
<b>Revenue recognised</b>	<b>1,841,190</b>	<b>1,513,743</b>

The reduction towards variable consideration comprises of volume discounts, etc.

(Amount in USD)

19 Other income	Year ended 31st	Year ended 31st
	March 2020	March 2019
Profit on sale of assets	-	12,115
Miscellaneous receipts*	797	1,276
<b>Total</b>	<b>797</b>	<b>13,391</b>

\* Miscellaneous receipts includes reward points received from bank

(Amount in USD)

20 Cost of material consumed- Steel & alloys	Year ended 31st	Year ended 31st
	March 2020	March 2019
Raw material		
Opening stock	33,236	33,236
Add : Purchases and incidental expenses	427,210	107,250
	<b>460,446</b>	<b>140,486</b>
Less : Closing stock	161,880	33,236
<b>Total</b>	<b>298,566</b>	<b>107,250</b>

(Amount in USD)

21 Changes in inventory of work-in-progress and finished goods	Year ended 31st	Year ended 31st
	March 2020	March 2019
<b>Inventory at the beginning of the year</b>		
Finished goods	704,139	727,685
Work in progress	73,740	79,513
	<b>777,879</b>	<b>807,198</b>
<b>Inventory at the end of the year</b>		
Finished goods	669,978	704,139
Stock of trade goods	10,671	-
Goods in transit	6,128	-
Work in progress	82,856	73,740
	<b>769,633</b>	<b>777,879</b>
<b>(Increase)/ Decrease in inventory of work in progress and finished goods</b>	<b>8,246</b>	<b>29,319</b>

(Amount in USD)

22 Manufacturing expenses	Year ended 31st	Year ended 31st
	March 2020	March 2019
Stores & spares consumed	90,177	82,924
Power and fuel	23,675	32,103
Repairs and maintenance		
- Plant and machinery	42,677	26,711
Contract labour expense	82,945	224,859
Job work expenses	114,268	185,744
Rent & lease expenses	28,671	121,339
Repairs and maintenance - Factory building	5,752	4,578
Insurance expenses	15,642	17,472
<b>Total</b>	<b>403,807</b>	<b>695,732</b>

Dimensional Machine Works LLC  
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in USD)		
23 Employee benefit expense	Year ended 31st March 2020	Year ended 31st March 2019
SALARIES, wages and bonus	930,628	875,225
Contribution to funds	107,386	121,930
<b>Total</b>	<b>1,038,014</b>	<b>997,155</b>

(Amount in USD)		
24 Finance cost	Year ended 31st March 2020	Year ended 31st March 2019
Interest on loans	6,579	13,649
Interest on leasehold property	13,071	-
Bank charges	3,732	6,743
<b>Total</b>	<b>23,382</b>	<b>20,392</b>

(Amount in USD)		
25 Other expenses	Year ended 31st March 2020	Year ended 31st March 2019
Relocation expenses	1,833	100,584
Rates and taxes	14,131	10,938
Freight outward	2,281	26,371
Professional fees	32,938	5,753
Auditors remuneration	5,612	5,500
Motor car expense	4,369	5,430
Communication expenses	5,137	6,391
Bad debts	-	7,190
Office expenses	11,698	16,533
Sales promotion expenses	5,556	10,789
Travelling expenses	767	5,705
Miscellaneous expenses	31,971	30,101
<b>Total</b>	<b>116,293</b>	<b>231,285</b>

\*Miscellaneous expenses includes Licences & Permits, Meals & Entertainment, Penalty, Toll & Parking, Printing & Reproduction, Freight outward reversal & Uncategorised expenses etc.

(Amount in USD)		
26 Exceptional items	Year ended 31st March 2020	Year ended 31st March 2019
Reduction in finished goods	100,000	-
Impairment of goodwill	356,836	-
<b>Total</b>	<b>456,836</b>	<b>-</b>

27 Contingent liabilities

(A) There are no contingent liabilities.

28 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 2022.

29 Leases:

Company as lessee:

I) Disclosures as per Ind AS 116- Leases

a) The Firm has taken land under lease. The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The Company had made transition adjustment as per para C8(c)(ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves. Consequently, amounts of 'Depreciation & Amortisation', 'Finance Costs' and 'Other Expenses' are not comparable with previous year. For lease arrangement with lease terms of 12 months or less, the Company has applied the 'short-term lease' recognition exemptions.

b) For addition, depreciation and carrying value of right of use asset, refer note 4.3.

c) Disclosure with respect to lease under Ind AS-116 Leases:

(Amount in USD)	
Particulars	Year ended 31st March 2020
Interest expense on lease liabilities	13,071
Lease expenses in case of short term leases	28,671
Lease expenses in case of low value leases (other than short term as disclosed above)	-
Lease expenses debited to lease liabilities	102,679
Total cash outflow for leases [incl. short term & low value leases]	144,421
Variable lease payments not considered in measurement of lease liabilities	-
Income from subleasing ROU assets	-

d) The Company has adopted Ind AS 116 – "Leases" retrospectively from 1st April, 2019, but has not restated comparatives for the 31st March, 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new standard are therefore recognised in the Opening balance sheet on 1st April, 2019 as given below:

Particulars	Amount in USD
Right-of-use assets	264,034
Financial liability- Lease liabilities - current	112,096
Financial liability -Lease liabilities - non-current	49,259

Dimensional Machine Works LLC  
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2020

e) The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31st March, 2019. The Company's weighted average incremental borrowing rate applied to the lease liabilities on 1st April, 2019 was 6% .

**II) Disclosures in respect of previous year:**

**Operating lease:**

The Firm has taken land under lease. These agreements are generally non cancellable. Total lease payments in respect of such leases debited to the Statement of Profit and Loss and disclosed in note 22 of the financials statements is USD 70,633. The future minimum lease payments under non-cancellable operating lease agreement are as under:

Particulars	Year ended 31st March 2019
Lease rent expenses debited to statement of profit and loss [Refer note 22]	70,633
<b>Future lease rent payable</b>	
- Not later than one year	142,680
- Later than one year and not later than five years	219,270
- Later than five years	-
- Contingent rent payable	-

Notes:

a. Subletting of the factory premises is permissible only after obtaining written consent from the lessor. There are no sub leases during the year.

b. SDS has an option to renew the lease for further period of 3 years. Increase in rent would be USD 3,000 per year during such term.

**Finance lease:**

Plant and machinery includes gross block of USD 26,398 and vehicle includes gross block of USD 40,287 (including incidental cost of USD NIL not covered under finance lease) being cost of assets taken on finance lease. The net block of machinery included in fixed assets as on 31st March 2019 is USD 24,607 and the net block of vehicle includes in fixed assets as on 31st March 2019 is USD 32,329.

Particulars	(Amount in USD)		
	Future lease payments	Interest	Present Value
Payable not later than 1 year*	28,830	899	27,931
Payable later than 1 year and not later than 5 years	7,666	117	7,549
Later than 5 years	-	-	-
<b>Total</b>	<b>36,496</b>	<b>1,016</b>	<b>35,480</b>

**30 Related party disclosure**

**30.1 Names of related parties (As identified by Management)**

Description of relationship	Name of the Related Party
Holding Company (Member)	Pradeep Metals Limited Inc., USA
Ultimate Holding Company	Pradeep Metals Limited, India
Key Managerial Personnel	Mr. Pradeep Goyal (Manager) Mr. Abhinav Goyal (Manager) Mrs. Neha Goyal (Wife of Mr. Abhinav Goyal) Mr. Jayvardhan Dhar Diwan (Manager) (w.e.f. 31.03.2019)
Enterprise in which KMP is having control	Pradeep Metals Limited Inc., USA

**30.2 Transactions with related parties during the year**

Name of the party	Nature of the transaction	(Amount in USD)	
		Year ended 31st March 2020	Year ended 31st March 2019
Pradeep Metals Limited Inc, USA	Sale of tools	-	1,767
	Management Fees	264,000	95,060
	Purchases	16,953	-
	Temporary Advances	29,771	143,603
	Reimbursement of freight charges	779	-
	Job work charges	139,280	-
	Loan Taken	808,000	474,000
Pradeep Metals Limited India	Loan Repaid	351,845	4,951
	Capital Goods Sales	-	322,342
Pradeep Metals Limited India	Sales	4,256	-
	Freight charges	22,987	-
	Purchases	174,785	-
Mr. Abhinav Goyal	Remuneration	120,000	111,403
Mrs. Neha Goyal	Remuneration	100,000	27,765

**30.3 Closing balances**

Name of the party	Nature of outstanding	(Amount in USD)	
		Year ended 31st March 2020	Year ended 31st March 2019
Pradeep Metals Limited Inc, USA	Share Capital	3,493,701	3,846,662
	Trade receivable	10,000	53,787
	Trade payable	5,041	-
	Loan payable	1,626,935	1,170,781
	Temporary advances payable	113,832	143,603
Pradeep Metals Limited India	Accounts Receivable	-	2,755
	Accounts Payable	175,280	-
Mr. Abhinav Goyal	Salary Payable	5,538	2,769
Mrs. Neha Goyal	Salary Payable	4,615	2,308

30.4 Outstanding balances at the year end are unsecured with a short term duration and interest free. For the year ended 31st March 2020, the Company has not recorded any impairment of receivables relating to amount owed by related parties (Previous year :Rs. Nil). This assessment is undertaken in each financial year through examining the financial position of the related party & the market in which the related party operates.

30.5 All transactions were made on normal commercial terms and conditions and at market rates.

Dimensional Machine Works LLC  
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2020

**31 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 2020, other than those with carrying amounts that are reasonable approximates of fair values:

(Amount in USD)

Particulars	Carrying value		Fair Value	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
(i) Loans	1,100	1,970	1,100	1,970
(ii) Other non-current financial assets	3,450	6,438	3,450	6,438
(iii) Trade receivables	320,552	119,331	320,552	119,331
(iv) Cash and cash equivalents	109,694	111,366	109,694	111,366
(v) Bank balances other than (v) above	-	-	-	-
(vi) Other current financial assets	-	41,866	-	41,866
<b>Total financial assets</b>	<b>434,796</b>	<b>280,970</b>	<b>434,796</b>	<b>280,970</b>
(i) Borrowings (Non-current)	37,774	79,459	37,774	79,459
(ii) Lease liabilities (Non-current)	49,259	-	49,259	-
(iii) Trade payable	400,864	191,602	400,864	191,602
(iii) Other current financial liabilities	374,840	304,196	374,840	304,196
(iv) Borrowings	1,626,935	1,170,781	1,626,935	1,170,781
(v) Lease liabilities	112,096	-	112,096	-
<b>Total financial liabilities</b>	<b>2,601,769</b>	<b>1,746,038</b>	<b>2,601,769</b>	<b>1,746,038</b>

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.

**32 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 based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments 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.

The Entity has incurred substantial losses during the year and previous financial years and its current liabilities are more than its current assets as on 31st March, 2020. In the opinion of the management, the performance of entity has improved from last year and is expecting to continue this performance due to expected revival in the demand for the products, new projects of the Entity and financial support available from the holding company, the unaudited financial results are prepared on going concern basis.

**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.

**b Defined benefit plans & other long term benefits**

The benefits plans & other long term benefits to employee are as per USA law.

**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. Judgements 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.

**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.

**g Impairment review of goodwill**

The Company tests for impairment of goodwill every year on 31st March. The impairment assessment is based on value in use. During the year ended 31st March 2020, the testing did not result in any impairment in the carrying amount of goodwill. The carrying amounts of goodwill is attributable to Dimensional Machine Works LLC. The recoverable amount is calculated based on value in use which has been determined based on business plans that have been approved by management for internal purposes. Key assumptions used for calculation of value in use are Earnings before interest and taxes (EBIT), Discount rate, Growth rates and Capital expenditures. With regard to assessment of value in use, any reasonable change in any of the above key assumptions will not cause the carrying amount of goodwill to exceed the recoverable amount.

### 33 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 2020.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

#### 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 for the year ended 31st March 2020 was USD 23,382 and for year ended 31st March 2019 was USD 20,392. 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 2020	+50	1,590.98
	-50	(1,590.98)
31st March 2019	+50	0.27
	-50	(0.27)

#### 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.

#### 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	As at
	31st March 2020	31st March 2019
<b>Less than 1 year</b>		
Borrowings	1,626,935	1,170,781
Trade and other payables	400,864	191,602
Lease liabilities	112,096	-
Other financial liabilities	349,529	283,931
Current maturity of long term borrowings	25,311	20,265
	<b>2,514,736</b>	<b>1,666,579</b>
<b>1 to 5 years</b>		
Borrowings	37,774	79,459
Lease liabilities	49,259	-
	<b>87,033</b>	<b>79,459</b>
<b>Total</b>	<b>2,601,769</b>	<b>1,746,038</b>

### 34 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 dividend payment to shareholders, 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 2020 and 31st March 2019.

Dimensional Machine Works LLC  
Standalone Unaudited Statement of Profit and Loss for the year ended 31st March, 2020

**35 Segmental 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.

**36 Cash flow statement related**

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

**36.2 Disclosure as required by Ind AS 7**

Reconciliation of liabilities arising from financing activities

Particulars	As at 31st March 2019	Cash Flows	Non Cash Changes	As at 31st March 2020
Long Term Borrowings	99,724	(36,638)	-	63,086
Short Term Borrowings	1,170,780	456,155	-	1,626,935
<b>Total Liabilities from financing activities</b>	<b>1,270,504</b>	<b>419,516</b>	-	<b>1,690,020</b>

Particulars	As at 31st March 2018	Cash Flows	Non Cash Changes	As at 31st March 2019
Long Term Borrowings	129,155	(29,431)	-	99,724
Short Term Borrowings	701,732	469,049	-	1,170,780
<b>Total Liabilities from financing activities</b>	<b>830,887</b>	<b>439,618</b>	-	<b>1,270,504</b>

**37 Previous period comparatives**

Previous Year Figures have been regrouped/rearranged wherever necessary.

---

For Dimensional Machine Works LLC, USA

Abhinav Goyal  
Manager

Place : Navi Mumbai  
Date : 29th June 2020