

Pradeep Metals Limited Inc, USA
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
ASSETS			
I. Non-current assets			
Property plant and equipment	4	1,392	1,696
Other Intangible assets	4	13,893	17,361
Investment in subsidiary	5	3,489,826	3,846,662
Financial assets			
(i) Loans	6	1,626,935	1,170,781
(ii) Other non current financial assets	7	3,822	3,822
Other non current assets	8	171,050	5,000
		5,306,918	5,045,322
II. Current assets			
Inventories	9	691,485	780,010
Financial assets			
(i) Trade receivables	10	1,028,191	1,081,089
(ii) Cash and cash equivalents	11	136,401	291,860
(iii) Other current financial assets	12	135,249	191,622
Other current assets	13	19,083	13,402
		2,010,409	2,357,983
TOTAL ASSETS		7,317,327	7,403,305
EQUITY AND LIABILITIES			
III. Equity			
Equity share capital	14	1,358,000	1,358,000
Other equity		(425,054)	83,781
TOTAL EQUITY		932,946	1,441,781
LIABILITIES			
IV. Non-current liabilities			
Financial liabilities			
Borrowings	15	1,527,650	2,360,000
		1,527,650	2,360,000
V. Current liabilities			
Financial liabilities			
(i) Borrowings	16	905,700	-
(ii) Trade payable	17	2,909,472	3,133,085
(iii) Other current financial liabilities	18	948,726	468,439
Other current liabilities	19	92,833	-
		4,856,731	3,601,524
TOTAL EQUITY & LIABILITIES		7,317,327	7,403,305
Significant accounting policies & other notes	1 to 37		

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: 29th June 2020

Pradeep Metals Limited Inc, USA

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
INCOME			
Revenue from operations	20	5,019,003	5,054,747
Other income		-	-
Total Income		5,019,003	5,054,747
EXPENSES			
Purchase of stock in trade and semi finished goods	21	4,280,947	4,258,018
Decrease/(Increase) in stock in trade and finished goods	22	88,525	26,520
Manufacturing expenses	23	139,280	-
Finance costs	24	221,404	209,089
Depreciation	4	3,772	3,762
Other expenses	25	437,075	260,715
Total Expenses		5,171,003	4,758,104
Profit / (loss) before exceptional items and tax		(152,000)	296,643
Less: Exceptional items	26	356,836	-
Profit / (loss) before taxes		(508,836)	296,643
Tax expense:			
Current tax		-	-
- Current tax		-	-
Deferred tax charge / (credit)		-	-
Short/(excess) provision for income tax for earlier years		-	-
Net profit / (loss) for the year		(508,836)	296,643
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		-	-
- Remeasurement gain/(losses) on defined benefit plans		-	-
(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)		(508,836)	296,643
Earnings per equity share			
(a) Basic (Face value at par)	27	(2,544.18)	1,483.21
(b) Diluted (Face value at par)	27	(2,544.18)	1,483.21
Significant accounting policies & other notes	1 to 37		

Other notes

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: 29th June 2020

Pradeep Metals Limited Inc, USA
Standalone unaudited Cash Flow Statement for the year ended 31st March 2020

(Amount in USD)

Particulars	Note	2019- 2020 USD	2018- 2019 USD
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation and prior period item		(508,836)	296,643
Adjustments for:			
Depreciation		3,772	3,762
Impairment in the value of investment		356,836	-
Interest expenses		221,404	209,089
		<u>582,012</u>	<u>212,851</u>
Operating profit before changes in assets and liabilities		73,176	509,494
Movements in working capital : [Current and Non-current]			
(Increase) / decrease in loans & advances and other current assets		(115,356)	(150,787)
(Increase) / decrease in inventories		88,525	26,520
(Increase) / decrease in trade receivable		52,899	248,143
Increase / (decrease) in trade payable, other current liabilities and provisions		(146,557)	605,979
		<u>(120,489)</u>	<u>729,855</u>
Net cash generated/ (used in) from operating activities...(A)		<u>(47,313)</u>	<u>1,239,349</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Loan to wholly owned subsidiary		(456,155)	(469,049)
Net cash generated / (used in) from investing activities...(B)		<u>(456,155)</u>	<u>(469,049)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowing		905,700	-
Repayment of term loans		(322,350)	(380,000)
Interest paid on loans		(235,341)	(203,747)
		<u>348,009</u>	<u>(583,747)</u>
Net cash generated / (used) from financing activities...(C)		<u>348,009</u>	<u>(583,747)</u>
Net increase in cash and cash equivalents...(A + B + C)		<u>(155,459)</u>	<u>186,553</u>
Cash and cash equivalents at the beginning of the year		291,860	105,307
Cash and cash equivalents at the end of the year	11	136,401	291,860
		<u>(155,459)</u>	<u>186,553</u>
Significant accounting policies	1		
Other notes	1 to 37		

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: 29th June 2020

Standalone unaudited 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	
Balance at 1st April 2018	1,358,000	(212,862)	1,145,138
Calls in arrears received	-	-	-
Profit / (loss) for the year ended 31st March 2019	-	296,643	296,643
Balance as at 31st March 2019	1,358,000	83,781	1,441,781
Balance at 1st April 2019	1,358,000	83,781	1,441,781
Calls in arrears received	-	-	-
Profit / (loss) for the year ended 31st March 2020	-	(508,836)	(508,836)
Balance as at 31st March 2020	1,358,000	(425,054)	932,946

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

4 Property plant & equipment and intangible assets

4.1 Property plant & equipment and intangible assets as at 31st March 2020

(Amount in USD)

Particulars	Gross block			Depreciation/ amortization				Net block	
	At 1st Apr 2019	Additions	Deductions	At 31st March 2020	At 1st Apr 2019	For the year	Deletions / adjustments	At 31st March 2020	At 31st March 2020
Tangible assets									
Computer	2,125	-	-	2,125	428	304	-	733	1,392
Intangible assets									
Computer Software	24,207	-	-	24,207	6,847	3,468	-	10,314	13,893
Total	26,332	-	-	26,332	7,275	3,772	-	11,047	15,285

4.2 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	1,697
Intangible assets									
Computer Software	24,207	-	-	24,207	3,388	3,458	-	6,847	17,360
Total	26,332	-	-	26,332	3,513	3,762	-	7,275	19,057

(Amount in USD)

5	Investments (At cost, unless otherwise specified)	As at 31st March 2020	As at 31st March 2019
	Unquoted equity instruments (fully paid)		
	Investment in wholly owned subsidiary		
	Dimensional Machine Works LLC	3,846,662	3,846,662
	(Refer note 5.1 & 5.2)		
	Less: Impairment in the value of investment	356,836	
	Total	3,489,826	3,846,662

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Aggregate cost of unquoted investment	3,846,662	3,846,662
Aggregate amount of impairment in the value of investment	356,836	-

5.2 In view of the settlement of dispute with the erstwhile JV Partner of the subsidiary of the Company in the FY 2017-18, subsidiary became the wholly owned subsidiary (WOS) of the Company. In view of continuing losses in the wholly owned subsidiary (WOS), expected business impact of Covid-19 and provision for impairment of goodwill by WOS, the Company has during the quarter ended 31st March 2020, made a provision for impairment of USD 356,836 in the value of its investment in WOS.

(Amount in USD)

6	Loans Non-current (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Loan to wholly owned subsidiary (Refer note 28.3)	1,626,935	1,170,781
	Total	1,626,935	1,170,781

6.1 No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person. Receivable from a wholly owned subsidiary having common directors/members is USD 16,26,935 (Previous year : USD 11,70,781).

(Amount in USD)

7	Other non current financial assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Investment in Coinbase	3,822	3,822
	Total	3,822	3,822

(Amount in USD)

8	Other non current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Bank of India (Deposit)	16,050	-
	Custom Bond Deposit	150,000	-
	Deposit	5,000	5,000
	Total	171,050	5,000

(Amount in USD)

9	Inventories (At lower of cost or net realisable value unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Stock in trade and finished goods	426,997	573,160
	Goods in transit	264,488	206,850
	Total	691,485	780,010

(Amount in USD)

10	Trade receivables (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Considered good	1,028,191	1,081,089
	Total	1,028,191	1,081,089

10.1 No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Receivable from a wholly owned subsidiary having common directors/members is USD 5,041 (Previous year : USD Nil).

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

10.3 Refer note 31 for policy on expected credit loss

10.4 **Reliance on major customers:**

Four customers represents more than 10% of the total revenue. Total revenue from these major customers amounts to USD 4,747,434. In case of previous year four customers represented more than 10% of total revenue which amounted to USD 4,865,290.

(Amount in USD)

11	Cash and cash equivalent	As at 31st March 2020	As at 31st March 2019
	Cash and cash equivalent		
	Balance with bank - In current accounts	136,401	291,860
	Total	136,401	291,860

(Amount in USD)

12	Other current financial assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Balance with government authorities	3,667	352
	Receivable from wholly owned subsidiary	113,832	143,603
	Custom Duty Receivable	17,750	47,667
	Total	135,249	191,622

12.1 No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person. Receivable from a wholly owned subsidiary having common directors/members is USD 1,03,882 (Previous year : USD 89,816).

12.2 **Break up of financial assets**

(Amount in USD)

Particulars	As at 31st March 2020	As at 31st March 2019
Loans (Refer note 6)	1,626,935	1,170,781
Other financial assets (Refer note 7 & 12)	139,071	195,444
Trade receivables (Refer note 10)	1,028,191	1,081,089
Cash & cash equivalents (Refer note 11)	136,401	291,860
Total	2,930,598	2,739,174

(Amount in USD)

13	Other current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Prepaid expenses	19,083	8,528
	Advance to suppliers	-	4,874
	Total	19,083	13,402

Pradeep Metals Limited Inc, USA

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

- 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 31st March 2020	As at 31st March 2019
Equity share Capital		
200 (Previous year :200) Equity Shares at par value	1,358,000	1,358,000
Total	1,358,000	1,358,000

14.2 Reconciliation of number of shares outstanding	As at 31st March 2020	As at 31st March 2019
Shares outstanding at beginning of the year	200	200
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	200	200

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

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, India	200	100.00	200	100.00

- 14.4 The Company has only one class of issued shares at par value. 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 to 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/

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, India	200	100.00	200	100.00

(Amount in USD)

15 Borrowings (Non current)	As at 31st March 2020	As at 31st March 2019
Unsecured loan		
From Holding Company	250,000	250,000
From Bank (refer note 15.1)	1,277,650	2,110,000
Total	1,527,650	2,360,000

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, (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	1,150,000	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	997,650	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.
Loan from Holding Company		
- Term Loan 1	150,000	USD 150000 repayable after 31.03.2021.
- Term Loan 2	100,000	USD 100000 repayable after 30.06.2021.
Total	2,397,650	

Above figures are including current maturity as disclosed in note 18.

(Amount in USD)

16	Borrowings (Current)	As at 31st March 2020	As at 31st March 2019
	Unsecured		
	From Bank		
	- Cash Credit*	905,700	-
	Total	905,700	-

* For the above loan Pradeep Metals Ltd, India (Holding Company) has provided Standby Letter of Credit.

(Amount in USD)

17	Trade payables	As at 31st March 2020	As at 31st March 2019
	Trade payables	2,909,473	3,133,086
	Total	2,909,473	3,133,086

17.1 No trade payables are due to directors or other officers of the Company either severally or jointly with any other person. Payable to a wholly owned subsidiary having common directors/members is USD 10,000. (Previous year : USD 53,787).

17.2 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 28.3)

(Amount in USD)

18	Other current financial liabilities	As at 31st March 2020	As at 31st March 2019
	Current maturity of long term borrowing (Term loan from bank)	870,000	360,000
	Interest accrued but not due	29,661	43,599
	Amount payable to Holding Company	11,816	25,000
	Accrued expenses	9,039	11,630
	Other liabilities*	28,210	28,210
	Total	948,726	468,439

*Other liabilities includes excess custom duty refundable to Texas Pipes (customer).

Pradeep Metals Limited Inc, USA

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

18.1 Break up of financial liabilities carried at amortised cost

(Amount in USD)

Particulars	As at 31st March 2020	As at 31st March 2019
Borrowings (Non current) (refer note no.15)	1,527,650	2,360,000
Borrowings (Current) (refer note no.16)	905,700	-
Trade payable (refer note no.17)	2,909,472	3,133,085
Other financial liabilities (refer note no.18)	948,726	468,439
Total	6,291,548	5,961,524

(Amount in USD)

19 Other current liabilities	As at 31st March 2020	As at 31st March 2019
Statutory liabilities (Custom duty)	92,833	-
Total	92,833	-

Pradeep Metals Limited Inc, USA
Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in USD)

20 Revenue from operations		Year ended 31st March 2020	Year ended 31st March 2019
Sale of products	(A)	5,019,003	5,012,221
Other operating revenue - Sundry Balance Written Back	(B)	-	42,526
Total	(A + B)	5,019,003	5,054,747

20.1 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 20 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 20 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 20 above.

- (ii) Details regarding customer concentration that represents 10% or more the company 's total revenue during the year ended 31st March 2020 in note no. 10.4.

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

(Amount in USD)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contracted price	5,019,003	5,054,747
Less: Reductions towards variable consideration components	-	-
Revenue recognised	5,019,003	5,054,747

(Amount in USD)

21 Purchase of stock in trade and semi finished goods	Year ended 31st March 2020	Year ended 31st March 2019
Purchases (includes freight inward)	3,880,722	4,143,318
Custom duty (net of recovery)	400,225	114,700
Total	4,280,947	4,258,018

(Amount in USD)

22 Changes in inventories of work-in-progress, scrap, and stock in trade	Year ended 31st March 2020	Year ended 31st March 2019
Inventory at the beginning of the year		
Stock in trade	573,160	403,351
Goods in transit	206,850	403,180
	780,010	806,531
Inventory at the end of the year		
Stock in trade and finished goods	426,997	573,160
Goods in transit	264,488	206,850
	691,485	780,010
Total	88,525	26521

Pradeep Metals Limited Inc, USA
Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in USD)

23 Manufacturing expenses	Year ended 31st March 2020	Year ended 31st March 2019
Job work expenses- engineering labour	139,280	-
Total	139,280	-

(Amount in USD)

24 Finance cost	Year ended 31st March 2020	Year ended 31st March 2019
Interest on bank loans	136,965	161,512
Other interest costs*	17,072	21,079
Corporate guarantee charges	26,823	26,317
Bank charges	40,544	182
Total	221,404	209,089

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

(Amount in USD)

25 Other expenses	Year ended 31st March 2020	Year ended 31st March 2019
Management fees	264,000	95,060
Rent & Lease	16,321	-
Rates and taxes	14,422	4,428
Warehousing Charges	112,009	95,696
Professional fees	7,521	37,819
Communication expenses	2,634	2,547
Travelling and conveyance expenses	4,625	16,608
Repairs and maintenance - Others	14,706	4,879
Sales promotion expenses	132	-
Sundry balances written off	572	-
Bad debts	-	248
Miscellaneous expenses*	133	3,428
Total	437,075	260,715

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

(Amount in USD)

26 Exceptional item	Year ended 31st March 2020	Year ended 31st March 2019
Particulars		
Impairment in the value of investment	356,836	-
Total	356,836	-

(Amount in USD)

27 Earnings per equity share	Year ended 31st March 2020	Year ended 31st March 2019
Particulars		
Numerator for basic and diluted EPS		
Net profit after tax attributable to shareholders of parent (Amount in USD) (A)	(508,836)	296,643
Denominator for basic EPS		
Weighted average number of equity shares for basic EPS (B)	200	200
Denominator for diluted EPS		
Weighted average number of equity shares for diluted EPS (C)	200	200
Basic earnings per share (A/B)	(2,544.18)	1,483.21
Diluted earnings per share (A/C)	(2,544.18)	1,483.21

Pradeep Metals Limited Inc, USA**Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2020****28 Contingent liabilities**

(A) There are no contingent liabilities in the company and WOS.

(B) Capital and other commitments

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

29 Related party disclosure**29.1 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 Neha Goyal (Wife of Mr. Abhinav Goyal) Jayawardhan Diwan (Director) (w.e.f. 31.03.2019)

29.2 Transactions with related parties during the year

(Amount in USD)

Name of the party	Nature of the transaction	2019-20	2018-19
Pradeep Metals Limited, India	Purchase goods	3,668,566	4,137,089
	Guarantee commission charged by Holding Company	26,823	26,317
	Interest on Loan charged by Holding Company	17,071	21,079
	Loan repaid to Holding Company	-	100,000
	Bank charges reimbursed to Holding Company	18,563	-
	Carriage inward expenses paid	210,307	14,332
	Custom duty reimbursed to Holding Company	435,371	298,229
Dimensional Machine Works, LLC	Temporary advances to Wholly Owned Subsidiary	29,771	143,603
	Loan given	808,000	474,000
	Loan repaid by Wholly Owned Subsidiary	351,845	4,951
	Purchases of tools	-	1,767
	Reimbursement of freight charges to Wholly Owned Subsidiary	779	-
	Job work charges paid	139,280	-
	Sales	16,953	-
	Management fees paid	264,000	95,060

29.3 Balance outstanding as at the year end

(Amount in USD)

Name of the party	Nature of outstanding	2019-20	2018-19
Pradeep Metals Limited, India	Trade Payable	2,877,482	3,066,532
	Guarantee commission payable	5,250	2,092
	Custom duty reimbursement payable	3,702	21,469
	Interest on Loan payable	2,863	1,439
	Loan from Holding Company	250,000	250,000
Dimensional Machine Works	Investment	3,489,826	3,846,662
	Trade payable	10,000	53,787
	Trade receivable	5,041	-
	Loan receivable	1,626,935	1,170,781
	Temporary advances to wholly owned subsidiary	113,832	143,603

Note:

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

Also Pradeep Metals Ltd, India (Holding Company) have given Standby Letter of Credit for overdraft facility from Bank of India.

Pradeep Metals Limited Inc, USA**Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2020****30 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	Carrying value	Fair Value	Fair Value
	As at	As at	As at	As at
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
(i) Investment in subsidiary	3,489,826	3,846,662	3,489,826	3,846,662
(ii) Loans	1,626,935	1,170,781	1,626,935	1,170,781
(iii) Other non-current financial assets	3,822	3,822	3,822	3,822
(iv) Trade receivables	1,028,191	1,081,089	1,028,191	1,081,089
(v) Cash and cash equivalents	136,401	291,860	136,401	291,860
(vi) Other current financial assets	135,249	191,622	135,249	191,622
Total financial assets	6,420,424	6,585,836	6,420,424	6,585,836
(i) Borrowings (Non-current)	1,527,650	2,360,000	1,527,650	2,360,000
(ii) Borrowings (Current)	905,700	-	905,700	-
(iii) Trade payable	2,909,472	3,133,085	2,909,472	3,133,085
(iv) Other current financial liabilities	948,726	468,439	948,726	468,439
Total financial liabilities	6,291,548	5,961,524	6,291,548	5,961,524

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.

31 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, 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.

b 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.

c 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.

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d 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.

e 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

32 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.

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 2020 was USD 221,404 and for year ended 31st March 2019 was USD 209,089. 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 (Amount in USD)
31st March 2020	+50	(11,630)
	-50	11,630
31st March 2019	+50	(13,264)
	-50	13,264

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.

Pradeep Metals Limited Inc, USA**Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2020****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 2020, four customers represent more than 10% receivables outstanding. In case of financial year 2018-19, four 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 Company's 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 2020	As at 31st March 2019
Less than 1 year		
Trade and other payables	2,909,472	3,133,085
Other financial liabilities	78,726	108,439
Borrowings (Current)	905,700	-
Current maturity of long term borrowings	870,000	360,000
	4,763,898	3,601,524
1 to 5 years		
Borrowings (Non current)	1,527,650	2,360,000
	1,527,650	2,360,000
Total	6,291,548	5,961,524

33 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 2020 and 31st March 2019.

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

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

(Amount in USD)

Particulars	As at 31st March 2019	Cash Flows	Non Cash Changes	As at 31st March 2020
Long Term Borrowings	2,720,000	(322,350)	-	2,397,650
Short Term Borrowings	-	905,700	-	905,700
Total Liabilities from financing activities	2,720,000	583,350	-	3,303,350

(Amount in USD)

Particulars	As at 31st March 2018	Cash Flows	Non Cash Changes	As at 31st March 2019
Long Term Borrowings	3,100,000	(380,000)	-	2,720,000
Short Term Borrowings	-	-	-	-
Total Liabilities from financing activities	3,100,000	(380,000)	-	2,720,000

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37 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: 29th June 2020