

Pradeep Metals Limited Inc., USA

Registered Office : 6770 BOURGEOID RD HOUSTON, TX 77066.

Email id : abhinav.goyal@pradeepmetals.com, Website : www.pradeepmetals.com, Contact no : 713-849-5414

Statement of unaudited standalone financial results for the quarter and year ended 31st March 2021

(Amount in USD)

Sr.	Particulars	Quarter ended			Year ended	
		31-Mar-2020	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income from operations	7,96,917	6,67,387	10,15,029	30,56,856	50,19,003
2	Other income	1,40,395	27,925	-	1,68,320	-
	(A) Total Income (1+2)	9,37,313	6,95,312	10,15,029	32,25,177	50,19,003
3	Expenses					
(a)	Changes in inventories of Raw Material	-	-	-	-	-
(a)	Purchase of stock in trade and semi finished goods	8,39,231	3,82,409	7,27,255	25,72,656	42,80,947
(b)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,47,410)	(29,475)	91,788	(2,90,416)	88,525
(d)	Excise duty	-	-	-	-	-
(c)	Manufacturing expenses	14,500	1,84,777	1,00,000	2,53,846	1,39,280
(e)	Employee benefits expense	-	-	-	-	-
(d)	Finance costs	40,412	27,384	44,002	1,51,388	2,21,404
(e)	Depreciation and amortisation expense	928	948	938	3,762	3,772
(f)	Other expenses	93,083	98,697	1,02,876	3,19,631	4,37,075
	(B) Total Expenses	7,40,744	6,64,740	10,66,859	30,10,867	51,71,003
4	Profit / (Loss) before exceptional items and tax (A-B)	1,96,569	30,572	(51,830)	2,14,310	(1,52,000)
5	Less: Exceptional items (refer note 27)	21,953	1,52,593	3,56,836	3,65,865	3,56,836
6	Profit / (Loss) before tax (4-5)	1,74,616	(1,22,021)	(4,08,666)	(1,51,555)	(5,08,836)
7	Tax Expense					
	1. Current tax	-	-	-	-	-
	2. Deferred tax	-	-	-	-	-
	3. Income tax and deferred tax of earlier years	-	-	-	-	-
8	Profit (Loss) for the period from continuing operations (6-7)	1,74,616	(1,22,021)	(4,08,666)	(1,51,555)	(5,08,836)
9	Profit (Loss) from discontinuing operations	-	-	-	-	-
10	Tax expense of discontinuing operations	-	-	-	-	-
11	Profit (Loss) from discontinuing operations (after tax) (9-10)	-	-	-	-	-
12	Profit (Loss) for the period before minority interest (8+11)	1,74,616	(1,22,021)	(4,08,666)	(1,51,555)	(5,08,836)
13	(Less) / add: allocation to minority interest	-	-	-	-	-
12	Profit (Loss) for the period (8+11)	1,74,616	(1,22,021)	(4,08,666)	(1,51,555)	(5,08,836)

(Refer notes 1 to 5 forming part of the above results)

Statement of unaudited standalone financial results for the quarter and year ended 31st March 2021 (Continued)

Notes to financial results:

Standalone Statement of Assets and Liabilities

(Amount in USD)

Particulars	Year ended	
	31-Mar-2021	31-Mar-2020
	Unaudited	Unaudited
ASSETS		
Non-current assets		
Property plant and equipment	1,089	1,392
Other Intangible assets	10,434	13,893
Investment in subsidiary	31,23,961	34,89,826
Financial assets		
(i) Other non-current financial assets	16,26,935	16,26,935
(ii) Loans	-	3,822
Other non-current assets	2,55,000	1,71,050
	50,17,419	53,06,918
Current assets		
Inventories	9,81,901	6,91,485
Financial assets		
(i) Trade receivable	9,45,264	10,28,191
(ii) Cash and cash equivalents	76,337	1,36,401
(iii) Other current financial assets	1,18,318	1,35,249
(iv) Loans	-	-
Other current assets	1,25,544	19,083
	22,47,362	20,10,409
TOTAL ASSETS	72,64,781	73,17,327
EQUITY AND LIABILITIES		
Equity		
Equity share capital	19,78,000	13,58,000
Other equity	(5,76,610)	(4,25,054)
TOTAL EQUITY	14,01,390	9,32,946
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	31,39,551	15,27,650
	31,39,551	15,27,650
Current liabilities		
Financial liabilities		
(i) Borrowings	-	9,05,700
(ii) Trade payable	19,63,506	29,09,472
(iii) Other current financial liabilities	6,48,327	9,48,726
Other current liabilities	1,12,006	92,833
	27,23,839	48,56,731
TOTAL LIABILITIES	58,63,391	63,84,381
TOTAL EQUITY & LIABILITIES	72,64,781	73,17,327

(Refer notes 1 to 5 forming part of the above results)

Notes to financial results (continued)

Standalone Unaudited Cash Flow Statement for the year ended 31st March 2021

Particulars	Year ended 31st March 2020 Unaudited	Year ended 31st March 2020 Unaudited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation and prior period item	(1,51,555)	(5,08,835)
Adjustments for:		
Depreciation	3,762	3,772
Impairment in the value of investment	3,65,865	3,56,836
Interest expenses	1,51,388	2,21,403
	5,21,015	5,82,011
Operating profit before changes in assets and liabilities	3,69,460	73,176
Movements in working capital : [Current and Non-current]		
(Increase) / decrease in loans & advances and other current assets	(1,69,657)	(1,15,356)
(Increase) / decrease in inventories	(2,90,415)	88,525
(Increase) / decrease in trade receivable	82,927	52,899
Increase / (decrease) in trade payable, other current liabilities and provisions	(9,37,198)	(1,46,558)
	(13,14,343)	(1,20,490)
Net cash generated/ (used in) from operating activities...(A)	(9,44,883)	(47,314)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Loan to wholly owned subsidiary	-	(4,56,155)
	-	(4,56,155)
Net cash generated / (used in) from investing activities...(B)	-	(4,56,155)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowing	(9,05,700)	9,05,700
Issue of share capital	6,20,000	-
Loan taken from holding company	22,50,000	-
Repayment of term loans	(2,69,909)	-
Repayment of bank (ECB)	(6,38,099)	(3,22,350)
Interest paid on loans	(1,71,473)	(2,35,341)
	8,84,819	3,48,009
Net cash generated / (used) from financing activities...(C)	8,84,819	3,48,009
Net increase in cash and cash equivalents...(A + B + C)	(60,064)	(1,55,459)
Cash and cash equivalents at the beginning of the year	1,36,401	2,91,860
Cash and cash equivalents at the end of the year	76,337	1,36,401
	(60,064)	(1,55,459)

Statement of unaudited standalone financial results for the quarter and year ended 31st March 2021 (continued)

Notes to financial results:

- The above unaudited standalone financial results for the quarter and year ended 31st March, 2021 has been reviewed and approved by the management. The auditors of holding company have carried out a limited review of the above unaudited standalone financial results for the quarter and year ended ended 31st March, 2021.
- The above results have been prepared in accordance with Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013. This accompanying statement is prepared for the purpose of preparation of audited consolidated financial results by the holding company i.e. Pradeep Metals Limited, India.
- The Company has granted loan and advances of USD 1,741,455 to and has investment of USD 3,846,662 in Wholly Owned Subsidiary of the Company ('WOS of the Company'). In view of accumulated losses in the WOS, expected business impact of Covid-19 and provision for impairment of goodwill by WOS, the Company carried out impairment assessment in respect of its investment in WOS and loans granted to WOS. Based on such assessment, the Company has made a provision for impairment of USD 365,865 in the value of its investment in WOS during the quarter ended 31st March 2021. In the view of management, considering the long term and strategic nature of investment, the balance carrying value of investment would yield the required benefits and the loan given to the WOS is considered as fully recoverable.
- The Company has opted for tax computation after considering the income from WOS. Since there are accumulated losses in WOS, there is a net loss on consolidated basis. Therefore, no provision for current tax is required to be made for the current quarter and year ended 31st March, 2021. Further, no deferred tax asset is recognized on consolidated loss in absence of reasonable certainty of having taxable income in future years on consolidated basis.
- The Company has earned the agency commission from the holding company of USD 124,403, which helped the results into the profit in current quarter. However, in the opinion of the management, considering expected revival in the demand for the products of the Company, the financial support available from the holding company for repayment of secured borrowing as and when required, the unaudited standalone financial results are prepared on going concern basis.

For and on behalf of
Pradeep Metals Limited Inc., USA

Pradeep Goyal
Director

Place : Mumbai
Date: 27th May 2021

Pradeep Metals Limited Inc, USA			
Standalone unaudited Balance Sheet as at 31st March, 2021		(Amount in USD)	
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
I. Non-current assets			
Property plant and equipment	4	1,089	1,392
Other Intangible assets	4	10,434	13,893
Investment in subsidiary	5	31,23,961	34,89,826
Financial assets			
(i) Loans	6	16,26,935	16,26,935
(i) Other non current financial assets	7	-	3,822
Other non current assets	8	2,55,000	1,71,050
		50,17,419	53,06,918
II. Current assets			
Inventories	9	9,81,901	6,91,485
Financial assets			
(i) Trade receivables	10	9,45,264	10,28,191
(ii) Cash and cash equivalents	11	76,337	1,36,401
(iii) Other current financial assets	12	1,18,318	1,35,249
Other current assets	13	1,25,544	19,083
		22,47,362	20,10,409
TOTAL ASSETS		72,64,781	73,17,327
EQUITY AND LIABILITIES			
III. Equity			
Equity share capital	14	19,78,000	13,58,000
Other equity	15	(5,76,610)	(4,25,054)
TOTAL EQUITY		14,01,390	9,32,946
LIABILITIES			
IV. Non-current liabilities			
Financial liabilities			
Borrowings	16	31,39,551	15,27,650
		31,39,551	15,27,650
V. Current liabilities			
Financial liabilities			
(i) Borrowings	17	-	9,05,700
(ii) Trade payable	18	19,63,506	29,09,472
(iii) Other current financial liabilities	19	6,48,327	9,48,726
Other current liabilities	20	1,12,006	92,833
		27,23,839	48,56,731
TOTAL EQUITY & LIABILITIES		72,64,781	73,17,327
Significant accounting policies & other notes	1 to 38		

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

Pradeep Goyal
Director

Place : Navi Mumbai
Date: 27th May 2021

Pradeep Metals Limited Inc, USA

Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in USD)

Particulars	Note No.	Year ended 31st March 2021	Year ended 31st March, 2020
INCOME			
Revenue from operations	21	30,56,856	50,19,003
Other income	21.3	1,68,320	-
Total Income		32,25,177	50,19,003
EXPENSES			
Purchase of stock in trade and semi finished goods	22	25,72,656	42,80,947
Decrease/(Increase) in stock in trade and finished goods	23	(2,90,416)	88,525
Manufacturing expenses	24	2,53,846	1,39,280
Finance costs	25	1,51,388	2,21,403
Depreciation	4	3,762	3,772
Other expenses	26	3,19,631	4,37,075
Total Expenses		30,10,867	51,71,003
Profit / (loss) before exceptional items and tax		2,14,310	(1,51,999)
Less: Exceptional items	27	3,65,865	3,56,836
Profit / (loss) before taxes		(1,51,555)	(5,08,835)
Tax expense:		-	-
Net profit / (loss) for the year ended		(1,51,555)	(5,08,835)
Earnings per equity share			
(a) Basic (Face value at par)	28	(757.78)	(2,544.18)
(b) Diluted (Face value at par)	28	(757.78)	(2,544.18)
Significant accounting policies & other notes	1 to 26		

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**

**Pradeep Goyal
Director**

**Place : Navi Mumbai
Date: 27th May 2021**

Pradeep Metals Limited Inc, USA
Standalone unaudited Cash Flow Statement for the Year ended 31st March 2021

(Amount in USD)

Particulars	Note	Year ended 31st March 2021	Year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation and prior period item		(1,51,555)	(5,08,835)
Adjustments for:			
Depreciation		3,762	3,772
Impairment in the value of investment		3,65,865	3,56,836
Interest expenses		1,51,388	2,21,403
		<u>5,21,015</u>	<u>5,82,011</u>
Operating profit before changes in assets and liabilities		3,69,460	73,176
Movements in working capital : [Current and Non-current]			
(Increase) / decrease in loans & advances and other current assets		(1,69,657)	(1,15,356)
(Increase) / decrease in inventories		(2,90,415)	88,525
(Increase) / decrease in trade receivable		82,927	52,899
Increase / (decrease) in trade payable, other current liabilities and provisions		(9,37,198)	(1,46,558)
		<u>(9,37,198)</u>	<u>(1,46,558)</u>
Net cash generated/ (used in) from operating activities...(A)		<u>(9,44,883)</u>	<u>(47,314)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Loan to wholly owned subsidiary		-	(4,56,155)
		<u>-</u>	<u>(4,56,155)</u>
Net cash generated / (used in) from investing activities...(B)		<u>-</u>	<u>(4,56,155)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowing		(9,05,700)	9,05,700
Investment by holding company in PML Inc		6,20,000	-
Loan taken from holding company		22,50,000	-
Repayment of term loans		(2,69,909)	(3,22,350)
Repayment of bank (ECB)		(6,38,099)	-
Interest paid on loans		(1,71,473)	(2,35,341)
		<u>(9,05,700)</u>	<u>9,05,700</u>
Net cash generated / (used) from financing activities...(C)		<u>8,84,819</u>	<u>3,48,010</u>
Net increase in cash and cash equivalents...(A + B + C)		<u>(60,064)</u>	<u>(1,55,459)</u>
Cash and cash equivalents at the beginning of the year		1,36,401	2,91,860
Cash and cash equivalents at the end of the year	11	76,337	1,36,401
		<u>(60,064)</u>	<u>(1,55,459)</u>
Significant accounting policies	1		
Other notes	4 to 26		

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

Pradeep Goyal
Director

Place : Navi Mumbai
Date: 27th May 2021

Standalone unaudited Statement of changes in equity for the year ended 31st March 2021

(Amount in USD)

Particulars	Attributable to Owners		Total (A+B)
	Equity share capital (A)	Reserves and surplus (B)	
		Retained earnings	
Balance at 1st April 2019	13,58,000	83,781	14,41,781
Calls in arrears received	-	-	-
Profit / (loss) for the year ended 31st March 2020	-	(5,08,835)	(5,08,835)
Balance as at 31st March 2020	13,58,000	(4,25,054)	9,32,946
Balance at 1st April 2020	13,58,000	(4,25,054)	9,32,947
Calls in arrears received	-	-	-
Profit / (loss) for the year ended 31st March 2021	-	(1,51,555)	(1,51,555)
Balance as at 31st March 2021	13,58,000	(5,76,609)	7,81,391

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

Pradeep Goyal
Director

Place : Navi Mumbai
Date: 27th May 2021

4 Property plant & equipment and intangible assets

4.1 Property plant & equipment and intangible assets as at 31st March 2021

(Amount in USD)

Particulars	Gross block			Depreciation/ amortization				Net block	
	At 1st Apr 2020	Additions	Deductions	At 31st March 2021	At 1st Apr 2020	For the year	Deletions / adjustments	At 31st March 2021	At 31st March 2021
Tangible assets									
Computer	2,125	-	-	2,125	732	304	-	1,036	1,089
Intangible assets									
Computer Software	24,207	-	-	24,207	10,315	3,458	-	13,773	10,434
Total	26,332	-	-	26,332	11,047	3,762	-	14,809	11,523

4.2 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	-	732	1,393
Intangible assets									
Computer Software	24,207	-	-	24,207	6,847	3,468	-	10,315	13,892
Total	26,332	-	-	26,332	7,275	3,772	-	11,047.00	15,285

(Amount in USD)

5	Investments (At cost, unless otherwise specified)	As at 31st March 2021	As at 31st March 2020
	Unquoted equity instruments (fully paid)		
	Investment in wholly owned subsidiary		
	(a) Trade investment		
	In subsidiary		
	Dimensional Machine Works LLC (Refer note 5.1 & 5.2)	34,89,826	38,46,662
	Less: Impairment in the value of investment	3,65,865	3,56,836
	Total	31,23,961	34,89,826

5.1 Other disclosures of investment

Particulars	As at 31 March, 2021	As at 31 March, 2020
Aggregate cost of unquoted investment	34,89,826	38,46,662
Aggregate amount of impairment in the value of investment	3,65,865	3,56,836

- 5.2** 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 year ended 31st March 2021, made a provision for impairment of USD 3,65,865 (Previous year : USD 3,56,836) 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 2021	As at 31st March 2020
	Loans to related parties		
	Loan to wholly owned subsidiary	16,26,935	16,26,935
	Total	16,26,935	16,26,935

- 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 16,26,935).

(Amount in USD)

7	Other non current financial assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Investment in Coinbase	-	3,822
	Total	-	3,822

(Amount in USD)

8	Other non current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Bank of India (Deposit)	-	16,050
	Custom Bond Deposit	2,50,000	1,50,000
	Deposit	5,000	5,000
	Total	2,55,000	1,71,050

(Amount in USD)

9	Inventories (At lower of cost or net realisable value unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Stock in trade and finished goods	4,94,927	4,26,997
	Goods in transit	4,86,974	2,64,488
	Total	9,81,901	6,91,485

(Amount in USD)

10	Trade receivables (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Considered good	9,45,264	10,28,191
	Total	9,45,264	10,28,191

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 734.73 (Previous year : USD 5041).

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

10.3 Refer note 32 for policy on expected credit loss

10.4 Reliance on major customers:

Two customers represents more than 10% of the total revenue. Total revenue from these major customers amounts to USD 26,55,068. In case of previous year four customers represented more than 10% of total revenue which amounted to USD 47,47,434.

(Amount in USD)

11	Cash and cash equivalent	As at 31st March 2021	As at 31st March 2020
	Cash and cash equivalent		
	Balance with bank		
	- In current accounts	76,337	1,36,401
	Total	76,337	1,36,401

(Amount in USD)

12	Other current financial assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Balance with government authorities	3,798	3,667
	Receivable from wholly owned subsidiary	1,14,520	1,13,832
	Custom Duty Receivable	-	17,750
	Total	1,18,318	1,35,249

- 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 1,14,520 (Previous year : USD 1,13,832).

12.2 **Break up of financial assets** (Amount in USD)

Particulars	As at 31st March 2021	As at 31st March 2020
Other financial assets (Refer note 7 & 12)	1,18,318	1,39,071
Loans (Refer note 6)	16,26,935	16,26,935
Trade receivables (Refer note 10)	9,45,264	10,28,191
Cash & cash equivalents (Refer note 11)	76,337	1,36,401
Total	27,66,854	29,30,598

12.3 **Break up of financial assets carried at fair value through P&L** (Amount in USD)

Particulars	As at 31st March 2021	As at 31st March 2020
Investments (Refer note 5)	31,23,961	34,89,826
Total	31,23,961	34,89,826

(Amount in USD)

13 Other current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
Prepaid expenses	1,141	19,083
Agency Commission Recievable	1,24,403	-
Total	1,25,544	19,083

- 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. Agency commission is receivable from holding Company having common director.

14 **Share capital**

(Amount in USD)

14.1 Issued, subscribed and paid-up capital	As at 31st March 2021	As at 31st March 2020
Equity share Capital		
200 (Previous year :200) Equity Shares at par value	19,78,000	13,58,000
Total	19,78,000	13,58,000

(Amount in USD)

14.2 Reconciliation of number of shares outstanding	As at 31st March 2021	As at 31st March 2020
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

Pradeep Metals Limited Inc, USA

Notes on unaudited standalone financial statements for the Year ended 31st March, 2021

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

Name of shareholder	As at 31st March 2021		As at 31st March 2020	
	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 2021		As at 31st March 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Pradeep Metals Limited, India	200	100.00	200	100.00

(Amount in USD)

15	Other equity	As at 31st March 2021	As at 31st March 2020
	Statement of profit and loss		
	Opening Balance	(4,25,054)	83,781
	Add: Transferred from statement of profit and loss	(1,51,555)	(5,08,836)
	Total	(5,76,610)	(4,25,054)

(Amount in USD)

16	Borrowings (Non current)	As at 31st March 2021	As at 31st March 2020
	From Holding Company -Unsecured Loan	25,00,000	2,50,000
	From Bank(ECBs) (refer note no.16.1)	6,39,551	12,77,650
	Total	31,39,551	15,27,650

16.1 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.

16.2 Terms of repayment

Particulars	Amount	Terms of repayment
Term loan from Bank		
- Term Loan 1	4,40,091	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	7,99,551	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	1,50,000	USD 150000 repayable after 31.03.2022.
- Term Loan 2	1,00,000	USD 100000 repayable after 30.06.2022.
- Term Loan 3	22,50,000	Repayment in 15 half yearly installment of USD 150000 each starting from 31st March 2022.
Total	37,39,642	

Above figures are including current maturity as disclosed in note 19.

(Amount in USD)

17	Borrowings (Current)	As at 31st March 2021	As at 31st March 2020
	Unsecured		
	From Bank		
	- Cash Credit*	-	9,05,700
	Total	-	9,05,700

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

(Amount in USD)

18	Trade payables	As at 31st March 2021	As at 31st March 2020
	Trade payables	19,63,506	29,09,473
	Total	19,63,506	29,09,473

18.1 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 3,79,346. (Previous year : USD 10,000).

18.2 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 30.3)

Pradeep Metals Limited Inc, USA

Notes on unaudited standalone financial statements for the Year ended 31st March, 2021

(Amount in USD)

19 Other current financial liabilities	As at 31st March 2021	As at 31st March 2020
Current maturity of long term borrowing (ECBs)	6,00,091	8,70,000
Interest accrued but not due	9,577	29,661
Amount payable to Holding Company	25,948	11,816
Accrued expenses	12,712	9,039
Other liabilities*	-	28,210
Total	6,48,327	9,48,726

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

19.1 Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (Non current) (refer note no.16)	31,39,551	15,27,650
Borrowings (Current) (refer note no.17)	-	9,05,700
Trade payable (refer note no.18)	19,63,506	29,09,472
Other financial liabilities (refer note no.19)	6,48,327	9,48,726
Total	57,51,384	62,91,548

(Amount in USD)

20 Other current liabilities	As at 31st March 2021	As at 31st March 2020
Statutory liabilities (Custom duty)	1,12,006	92,833
Total	1,12,006	92,833

Pradeep Metals Limited Inc, USA
Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in USD)

21	Revenue from operations	Year ended 31st March 2021	Year ended 31st March 2020
	Sale of products	30,56,856	50,19,003
	Total	30,56,856	50,19,003

21.1 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 21 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 21 above.

(ii) Details regarding customer concentration that represents 10% or more the company 's total revenue during the year ended 31st March 2021 in note no. 10.4.

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Contracted price	30,56,856	50,19,003
Less: Reductions towards variable consideration components	-	-
Revenue recognised	30,56,856	50,19,003

(Amount in USD)

21.3	Other income	Year ended 31st March 2021	Year ended 31st March 2020
	Miscellaneous income	43,917	-
	Agency commission	1,24,403	-
	Total	1,68,320	-

(Amount in USD)

22	Purchase of stock in trade and semi finished goods	Year ended 31st March 2021	Year ended 31st March 2020
	Purchase of engineering labour		
	Purchases (includes freight inward)	24,59,572	38,80,722
	Custom duty (net of recovery)	1,13,083	4,00,225
	Total	25,72,656	42,80,947

(Amount in USD)

23	Changes in inventories of work-in-progress, scrap, and stock in trade	Year ended 31st March 2021	Year ended 31st March 2020
	Inventory at the beginning of the year		
	Stock in trade	4,26,997	5,73,160
	Goods in transit	2,64,488	2,06,850
		6,91,485	7,80,010
	Inventory at the end of the year		
	Stock in trade and finished goods	4,94,927	4,26,997
	Goods in transit	4,86,974	2,64,488
		9,81,901	6,91,485
	Total	(2,90,416)	88,525

Pradeep Metals Limited Inc, USA
 Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in USD)

24	Manufacturing expenses	Year ended 31st March 2021	Year ended 31st March 2020
	Job work expenses- engineering labour	2,53,846	1,39,280
	Total	2,53,846	1,39,280

(Amount in USD)

25	Finance cost	Year ended 31st March 2021	Year ended 31st March 2020
	Interest on bank loans	85,290	1,36,965
	Other interest costs*	42,752	17,072
	Corporate guarantee charges	22,731	26,823
	Bank charges	615	40,544
	Total	1,51,388	2,21,403

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

(Amount in USD)

26	Other expenses	Year ended 31st March 2021	Year ended 31st March 2020
	Management fees	1,72,000	2,64,000
	Rent & Lease	14,534	16,321
	Rates and taxes	12,941	14,422
	Insurance	3,297	-
	Warehousing Charges	86,484	1,12,009
	Professional fees	16,367	7,521
	Communication expenses	2,504	2,634
	Travelling and conveyance expenses	769	4,625
	Repairs and maintenance - Others	7,611	14,706
	Sales promotion expenses	-	132
	Sundry balances written off	2,712	572
	Miscellaneous expenses*	411	133
	Total	3,19,631	4,37,075

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

(Amount in USD)

27	Exceptional item	Year ended 31st March 2021	Year ended 31st March 2020
	Impairment in the value of investment	3,65,865	3,56,836
	Total	3,65,865	3,56,836

28 Earnings per equity share

Particulars		Year ended 31st March 2020
Numerator for basic and diluted EPS		
Net profit after tax attributable to shareholders of parent (Amount in USD)	(A)	(1,51,555)
Denominator for basic EPS		
Weighted average number of equity shares for basic EPS	(B)	200
Denominator for diluted EPS		
Weighted average number of equity shares for diluted EPS	(C)	200
Basic earnings per share	(A/B)	(2,544.18)
Diluted earnings per share	(A/C)	(2,544.18)

29 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).

30 Related party disclosure**30.1 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)

30.2 Transactions with related parties during the year

Name of the party	Nature of the transaction	2020-21	2019-20
Pradeep Metals Limited, India	Purchase goods	20,02,620	36,68,566
	Guarantee commission charged by Holding Company	22,731	26,823
	Investment made by holding company	6,20,000	-
	Agency Commission income	1,24,403	-
	Loan Received from Holding Company	22,50,000	-
	Interest on Loan charged by Holding Company	41,752	17,071
	SBLC	-	10,00,000
	Bank charges reimbursed to Holding Company	85	18,563
	Carriage inward expenses paid	4,79,416	2,10,307
	Custom duty reimbursed to Holding Company	-	4,35,371
Dimensional Machine Works, LLC	Temporary advances to Wholly Owned Subsidiary	-	29,771
	Loan given	-	8,08,000
	Loan repaid by Wholly Owned Subsidiary	-	3,51,845
	warehousing fees	45,000	-
	Expenses on behalf of wholly owned subsidiary company	688	-
	Reimbursement of freight	-	779
	Job work charges paid	2,53,845	1,39,280
	Sales	1,876	16,953
Management fees paid	1,72,000	2,64,000	

30.3 Balance outstanding as at the year end

Name of the party	Nature of outstanding	2020-21	2019-20
Pradeep Metals Limited, India	Trade Payable	15,51,738	28,77,482
	Guarantee commission payable	3,350	5,250
	Custom duty reimbursement payable	3,702	3,702
	Interest on Loan payable	18,896	2,863
	Loan from Holding Company	25,00,000	2,50,000
	Agency Commission Receivable	1,24,403	-
	Corporate Guarantee Outstanding	12,39,642	21,47,651
Dimensional Machine Works	Investment	31,23,961	34,89,826
	Trade payable (For Management fees, Job work, warehousing fees)	3,79,346	10,000
	Trade receivable	735	5,041
	Loan receivable	16,26,935	16,26,935
	Temporary advances to wholly owned subsidiary	1,14,520	1,13,832

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.

Pradeep Metals Limited Inc, USA
Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2021

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 2021, 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 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
(i) Investment in subsidiary	31,23,961	34,89,826	31,23,961	34,89,826
(ii) Loans	16,26,935	16,26,935	16,26,935	16,26,935
(iii) Other non-current financial assets	-	3,822	-	3,822
(iv) Trade receivables	9,45,264	10,28,191	9,45,264	10,28,191
(v) Cash and cash equivalents	76,337	1,36,401	76,337	1,36,401
(vi) Other current financial assets	1,18,318	1,35,249	1,18,318	1,35,249
Total financial assets	58,90,815	64,20,424	58,90,815	64,20,424
(i) Borrowings (Non-current)	31,39,551	15,27,650	31,39,551	15,27,650
(ii) Borrowings (Current)	-	9,05,700	-	9,05,700
(iii) Trade payable	19,63,506	29,09,472	19,63,506	29,09,472
(iv) Other current financial liabilities	6,48,327	9,48,726	6,48,327	9,48,726
Total financial liabilities	57,51,384	62,91,548	57,51,384	62,91,548

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, 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.

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.

Pradeep Metals Limited Inc, USA
Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2021
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

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 2021.

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 2021 was USD 151,388 and for year ended 31st March 2020 was USD 221,403. 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 2021	+50	(10,623)
	-50	10,623
31st March 2020	+50	(11,630)
	-50	11,630

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 2021, two customers represent more than 10% receivables outstanding. In case of financial year 2019-20, 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.

Pradeep Metals Limited Inc, USA**Standalone unaudited Statement of Profit and Loss for the year ended 31st March, 2021****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

Particulars	As at 31st March 2021	As at 31st March 2020
Less than 1 year		
Trade and other payables	19,63,506	29,09,472
Other financial liabilities	48,236	78,726
Borrowings (Current)	-	9,05,700
Current maturity of long term borrowings	6,00,091	8,70,000
	26,11,833	47,63,898
1 to 5 years		
Borrowings (Non current)	31,39,551	15,27,650
	31,39,551	15,27,650
Total	57,51,384	62,91,548

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 , 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 2021 and 31st March 2020.

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

36 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.

37 Cash flow statement related

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

37.2 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Amount in USD)

Particulars	As at 31st March 2020	Cash Flows	Non Cash Changes	As at 31st March 2021
Long Term Borrowings	23,97,650	13,41,992	-	37,39,642
Short Term Borrowings	9,05,700	(9,05,700)	-	0
Total Liabilities from financing activities	33,03,350	4,36,292	-	37,39,642

(Amount in USD)

Particulars	As at 31st March 2019	Cash Flows	Non Cash Changes	As at 31st March 2020
Long Term Borrowings	27,20,000	(3,22,349)	-	23,97,651
Short Term Borrowings	-	9,05,700	-	9,05,700
Total Liabilities from financing activities	27,20,000	5,83,351	-	33,03,351

38 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**

Pradeep Goyal
Director

Place : Navi Mumbai
Date: 27th May 2021