

Dimensional Machine Works, LLC
Registered Office : 11505 W Little York Rd, Houston 77041, Texas, United States Of America
Email id : abhinav.goyal@dimensional.us, Website : www.dimensional.us, Contact no : 713-849-5414

Statement of unaudited financial results for the quarter and year ended 31st March 2022

(Amount in USD)

Sr.	Particulars	Quarter ended			Year ended	
		31-Mar-2022	31-Dec-2021	31-Mar-2021	31-Mar-2022	31-Mar-2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Revenue from operations	7,97,711	3,31,683	4,33,692	21,99,335	14,95,712
2	Other income	-	5,787	-	6,327	6,397
	(A) Total Income (1+2)	7,97,711	3,37,470	4,33,692	22,05,662	15,02,109
3	Expenses					
(a)	Raw material consumption	4,18,940	84,018	86,281	8,48,972	3,40,135
(b)	Purchases of stock-in-trade	1,57,551	1,23,054	23,814	4,87,752	1,13,661
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,50,432)	(66,395)	6,199	(2,07,776)	(1,17,226)
(d)	Manufacturing expenses	43,773	68,112	31,448	2,28,363	1,92,115
(e)	Employee benefits expense	1,52,198	77,339	36,159	4,39,508	3,92,769
(f)	Finance costs	4,997	2,648	(2,973)	11,486	10,324
(g)	Depreciation and amortisation expense	66,972	53,806	53,361	2,45,333	3,11,749
(h)	Other expenses	22,064	51,734	14,319	96,535	69,344
	(B) Total Expenses	7,16,063	3,94,316	2,48,608	21,50,171	13,12,871
4	Profit / (Loss) before exceptional items and tax (A-B)	81,648	(56,846)	1,85,084	55,491	1,89,238
5	Less: Exceptional items- expenses/(income) (refer note 4 & 5)	83,435	70,403	51,953	2,80,629	4,65,865
6	Profit / (Loss) before tax (4-5)	(1,787)	(1,27,249)	1,33,131	(2,25,138)	(2,76,627)
7	Tax Expense					
	1. Current tax	-	-	-	-	-
	2. Deferred tax	-	-	-	-	-
8	Profit / (Loss) for the period from continuing operations (6-7)	(1,787)	(1,27,249)	1,33,131	(2,25,138)	(2,76,627)
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 (8+11)	(1,787)	(1,27,249)	1,33,131	(2,25,138)	(2,76,627)

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

Statement of unaudited financial results for the quarter and year ended 31st March 2022

Notes to financial results:

Statement of Assets and Liabilities

Particulars	(Amount in USD)	
	31-Mar-2022	31-Mar-2021
	Unaudited	Unaudited
ASSETS		
Non-current assets		
Property plant and equipment	5,30,872	5,60,345
Right of use of asset	3,40,053	45,524
Other Intangible assets	2,09,690	3,92,248
	10,80,615	9,98,117
Current assets		
Inventories	10,92,987	7,50,196
Financial assets		
(i) Trade receivable	8,05,100	5,96,138
(ii) Cash and cash equivalent	1,44,640	2,31,713
(iii) Loans	12,400	900
Other current assets	-	2,048
	20,55,127	15,80,995
TOTAL ASSETS	31,35,742	25,79,112
EQUITY AND LIABILITIES		
Equity		
Equity share capital	36,20,111	36,20,111
Other equity	(37,39,021)	(35,13,881)
TOTAL EQUITY	(1,18,910)	1,06,230
LIABILITIES		
Non-current liabilities		
Financial liabilities:		
(i) Borrowings	1,35,583	11,350
(ii) Lease liabilities	2,77,033	-
	4,12,616	11,350
Current liabilities		
Financial liabilities:		
(i) Borrowings	13,85,780	17,49,409
(ii) Trade payable	11,55,821	3,14,545
(iii) Lease liabilities	63,021	49,259
(iv) Other current financial liabilities	2,22,039	3,06,738
Other current liabilities	15,375	41,581
	28,42,036	24,61,532
TOTAL LIABILITIES	32,54,652	24,72,882
TOTAL EQUITY & LIABILITIES	31,35,742	25,79,112

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

Notes to financial results (continued)

Statement of unaudited financial results for the quarter and year ended 31st March 2022

(Amount in USD)

Particulars	Year ended 31st March 2022 Unaudited	Year ended 31st March 2021 Unaudited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation and prior period item	(2,25,138)	(2,76,627)
Adjustments for:		
Depreciation	2,78,767	3,59,017
Impairment of goodwill	1,80,629	3,65,865
Profit on sale of assets	(3,260)	1,00,000
Reduction in Finished Goods	1,00,000	-
Interest expenses	11,486	10,324
Balances written back	(83,920)	(4,118)
PPP relief forgiven / utilised	(96,050)	(2,88,150)
	<u>3,87,652</u>	<u>5,42,938</u>
Operating profit before changes in assets and liabilities	1,62,514	2,66,311
Movements in working capital : [Current and Non-current]		
(Increase) / decrease in loans & advances and other current assets	(9,453)	1,602
(Increase) / decrease in inventories	(4,42,790)	(10,788)
(Increase) / decrease in trade receivable	(1,25,042)	(2,75,586)
Increase / (decrease) in trade payable, other current liabilities and provisions	7,30,370	(1,11,260)
	<u>1,53,085</u>	<u>(3,96,032)</u>
Net cash generated/ (used in) from operating activities...(A)	<u>3,15,599</u>	<u>(1,29,721)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,64,965)	(47,734)
Sale of fixed asset	78,871	69,801
Net cash generated / (used in) from investing activities...(B)	<u>(1,86,094)</u>	<u>22,067</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing	2,00,000	-
Repayment of long term borrowing	(53,346)	(25,310)
Repayment of finance lease liabilities	-	-
Repayment of lease liabilities	(61,746)	(1,18,893)
Proceeds from short term borrowing (including government grant towards Paycheck Protection Program)	(2,90,000)	3,84,200
Proceeds from finance lease liabilities	-	-
Interest paid on loans	(11,486)	(10,324)
Net cash generated / (used) from financing activities...(C)	<u>(2,16,578)</u>	<u>2,29,673</u>
Net increase in cash and cash equivalents...(A + B + C)	<u>(87,073)</u>	<u>1,22,019</u>
Cash and cash equivalents at the beginning of the period	2,31,713	1,09,694
Cash and cash equivalents at the end of the period	1,44,640	2,31,713
	<u>(87,073)</u>	<u>1,22,019</u>

Statement of unaudited financial results for the quarter and year ended 31st March 2022

Notes to financial results:

- 1 The above unaudited financial results for the quarter and year ended 31st March, 2022 has been reviewed and approved by the management. The auditors of Pradeep Metals Limited, India (ultimate holding company) have carried out a limited review of the above unaudited financial results for the quarter and year ended 31st March, 2022.
- 2 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 unaudited consolidated financial results by the holding company i.e. Pradeep Metals Limited, India.
- 3 The Company has incurred losses during the year and previous financial years and its current liabilities are higher than its current assets as on 31st March 2022. In the opinion of the management, considering expected revival in the demand for the products of the Company, financial support available from the ultimate holding company, the unaudited financial results are prepared on going concern basis.
- 4 (a) The management has carried out impairment assessment in respect of goodwill and tangible assets considering the losses and assessment of financial impact on account of COVID-19 on future cash flows. Based on such assessment, additional provision for the excess of carrying value of goodwill over the recoverable amount has been accounted as an impairment provision of USD 53,435 during the quarter ended 31st March, 2022, USD 45,403 for the quarter ended 31st December 2021, USD 21,953 for the quarter ended 31st March 2021, USD 1,80,629 for the year ended 31st March 2022 and USD 3,65,865 for the year ended 31st March 2021 (aggregate impairment up to year ended 31st March 2022 USD 9,03,330). The same is disclosed as exceptional item. Management is of the view that expected growth in the demand of the Company's products and other steps taken by the management, will generate sufficient cash flows to cover balance carrying value of goodwill and the carrying value of the tangible assets as at 31st March, 2022.

(b) (i) Ageing of slow/non-moving items of inventories is not available from the system. Management is of the view that there is demand for the Company's products and these inventories have realizable value greater than cost. Based on the management estimate, provision is made wherever considered necessary. Provision made of USD 30,000 during quarter ended 31st December, 2021 (USD 25,000 during the quarter ended 31st December 2021, USD 30,000 during the quarter ended 31st March 2021, USD 100,000 each for the year ended 31st March 2022 and year ended 31st March 2021) has been disclosed as exceptional item. (ii) Further, the improvement in the systems and processes of maintaining the inventory records is in process.

Statutory auditors have drawn reference of above matters in their limited review report for the current quarter, previous quarters and in previous years.

- 5 The COVID 19 pandemic continues to adversely impact the global economic conditions and its impact remains uncertain. The Company has also adopted measures to ensure business continuity with minimal disruption. The management has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statements upto the date of approval of financial results by the Board of Directors. The Company continues to closely monitor any material changes to future economic conditions. During the previous year, the Company had received financial support of USD 384,200 under Paycheck Protection Program (PPP scheme) framed by the US government to assist certain class of companies in USA during the period of COVID-19. Till 31st March 2021, proceeds received under the scheme amounting to USD 288,150 had been utilised by the Company as per the government guidelines. Balance unspent of USD 96,050 which was grouped under short-term borrowings as "Amount received towards Paycheck protection program" for the year ended 31st March 2021, has been fully utilised during the quarter ended 30th June 2021. Further, income and relevant expenses of USD 96,050 are considered as exceptional items for the year ended 31st March, 2022 (for the year ended 31st March 2021 USD 288,150).

For and on behalf of
Dimensional Machine Works LLC

Abhinav Goyal
Director

Place: Houston TX
Date: 12th May 2022