



Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

30th July, 2022

To,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code: **513532**

Sub: Outcome of Board Meeting dated 30th July, 2022

This is in continuation to our letter dated 22nd July, 2022 and pursuant to Regulation 33, 30 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We wish to state that the Board of Directors of the Company in its Meeting held today has inter alia:

Considered and approved the Un-Audited Financial Results of the Company on Standalone and Consolidated basis for the quarter ended 30th June, 2022 along with Limited Review Reports thereon. A copy of the said results, notes thereto and Auditors Limited Review Report thereon is enclosed for your records.

The Meeting of the Audit Committee/Board of Directors of the Company commenced at 10.30 a.m. and concluded at 1:25 p.m.

This is for your information and records.

For **Pradeep Metals Limited**

Abhishek Joshi
Company Secretary & Compliance Officer
ACS: 64446

Statement of standalone and consolidated financial results for the quarter ended 30th June 2022

Sr. No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022	30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022
		Unaudited	Unaudited (Refer note 10)	Unaudited	Audited	Unaudited	Unaudited (Refer note 10)	Unaudited	Audited
1	Income from operations	5,979	6,042	4,242	20,718	6,483	6,393	4,586	22,080
2	Other income	66	210	148	565	30	178	121	454
	(A) Total Income (1+2)	6,045	6,252	4,390	21,283	6,513	6,571	4,708	22,534
3	Expenses								
(a)	Cost of materials consumed	3,285	2,967	2,307	10,475	3,405	3,214	2,517	11,102
(b)	Changes in inventories of work-in-progress, finished goods and scrap	(373)	228	(543)	(453)	(485)	(83)	(629)	(855)
(c)	Manufacturing expenses	1,252	1,218	957	4,352	1,301	1,251	989	4,520
(d)	Employee benefits expense	677	628	581	2,437	811	743	632	2,764
(e)	Finance costs	129	116	96	440	149	128	107	489
(f)	Depreciation and amortisation expense	149	154	139	583	203	209	177	772
(g)	Other expenses	422	394	310	1,378	326	325	243	1,117
	(B) Total Expenses	5,541	5,705	3,846	19,212	5,710	5,787	4,037	19,909
4	Profit before exceptional items and tax (A-B)	504	547	544	2,071	803	784	671	2,625
5	Less: Exceptional items- expenses/(income) [Refer note 11]	27	41	27	135	(1)	41	27	135
6	Profit / (Loss) before tax (4-5)	477	506	517	1,936	804	743	644	2,490
7	Tax Expense								
1.	Current tax	(142)	(151)	(146)	(553)	(142)	(151)	(146)	(553)
2.	Deferred tax	5	13	2	23	6	28	5	42
3.	Income tax of earlier years (net)	-	18	-	18	-	18	-	18
8	Profit (Loss) for the period from continuing operations (6-7)	340	386	372	1,424	668	638	503	1,998
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 non-controlling interest (8+11)	340	386	372	1,424	668	638	503	1,998
13	(Less) / Add: allocation to non-controlling interest	-	-	-	-	-	-	-	-
14	Profit (Loss) for the period (12-13)	340	386	372	1,424	668	638	503	1,998
15	Other Comprehensive Income (OCI)								
A (i)	Items that will not be reclassified to profit or loss								
	Remeasurement gain/(loss) of net defined benefit liability	(17)	40	(8)	5	(17)	40	(8)	5
	(ii) Income tax relating to items that will not be reclassified to profit or loss	4	(10)	2	(1)	4	(10)	2	(1)
B (i)	Items that will be reclassified to profit or loss								
	Exchange differences on translation of foreign operations	-	-	-	-	(137)	(82)	(30)	(86)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total of Other Comprehensive Income	(13)	30	(6)	4	(150)	(52)	(36)	(82)
16	Total Comprehensive Income for the period (14+15) [Comprising Profit (Loss) and Other Comprehensive Income for the period] attributable to:	327	416	366	1,428	518	586	467	1,915
	(a) To Owners of parent	-	-	-	-	518	586	467	1,915
	(b) To Non controlling interest	-	-	-	-	-	-	-	-
17	Of the Total Comprehensive Income above, Profit for the period attributable to:								
	(a) To Owners of parent	-	-	-	-	668	638	503	1,998
	(b) To Non controlling interest	-	-	-	-	-	-	-	-
18	Of the Total Comprehensive Income above, Other comprehensive income attributable to:								
	(a) To Owners of parent	-	-	-	-	(150)	(52)	(36)	(82)
	(b) To Non controlling interest	-	-	-	-	-	-	-	-
19	Paid-up equity share capital (Face value of Rs. 10/- per share)	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727
20	Reserves excluding revaluation reserve	-	-	-	7,514	-	-	-	5,789
21	Earnings per equity share of Rs. 10/- each (Not annualised)								
	(a) Basic (in Rs.)	1.97	2.23	2.16	8.25	3.86	3.69	2.91	11.56
	(b) Diluted (in Rs.)	1.97	2.23	2.16	8.25	3.86	3.69	2.91	11.56

SIGNED FOR IDENTIFICATION BY
[Signature]
N. A. SHAH ASSOCIATES LLP
MUMBAI

[Signature]



Statement of standalone & consolidated financial results for the quarter ended 30th June 2022 (Continued)

Notes to financial results (continued):

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 30th July 2022, the statutory auditors of the Company have carried out the limited review of the standalone & consolidated financial results for the quarter ended 30th June 2022.
- The above unaudited results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ("SEBI") and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013.
- In view of accumulated losses incurred by the wholly owned subsidiary (WOS) and step down subsidiary (SDS) and provision for impairment of goodwill and tangible assets by SDS, 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 Rs. 27 lakhs in the value of its investment in WOS during the quarter ended 30th June 2022, Rs.41 lakhs for the quarter ended 31st March 2022, Rs.27 lakhs for the quarter ended 30th June, 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 30th June,2022 amounts to Rs.702 lakhs. 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. Statutory auditors have drawn reference of the above matter in their report on the audited / unaudited standalone financial results of the previous years and earlier quarters.
- During quarter ended 30th June 2022, the Company has additionally granted loan to its wholly owned subsidiary i.e. Pradeep Metals Limited Inc., USA amounting to Rs. Nil for quarter ended 30th June 2022, Rs. Nil for the quarter ended 31st March 2022 [year ended 31st March 2022 Rs.270 lakhs (USD 3,60,000) and quarter ended 30th June 2021 Rs. Nil]. The total outstanding corporate guarantee given by the Company for the loan taken by WOS as at 30th June 2022 amounts to USD 18,82,247.

- Export sales in standalone results include sales made to the WOS and the SDS of the Company in USA as given below :

Particulars	(Rs. in lakhs)			
	Quarter ended		Year ended	
	30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022
Pradeep Metals Limited Inc., USA (WOS)	230	338	426	1,472
Dimensional Machine Works, LLC (SDS)	350	198	50	586

- Foreign exchange (loss) / gain included in other income and finance cost is given below:

Particulars	(Rs. in lakhs)			
	Standalone		Consolidated	
	Quarter ended		Quarter ended	
	30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022
Other Income	23	171	115	417
Finance cost - Foreign exchange loss (attributable to finance cost)	(27)	(21)	(16)	(59)

- (a) Audited consolidated financial statements / results are prepared in accordance with IND AS 110 'consolidated financial statements' and includes unaudited financial results in respect of :

- Pradeep Metals Limited, Inc. (WOS)
- Dimensional Machine Works LLC (SDS), wholly owned subsidiary of WOS

The above unaudited financial results of the WOS and the SDS are prepared by the management in compliance with the requirement of Ind AS. Statutory auditors have carried out limited review of the unaudited standalone financial results of the WOS and the SDS for the quarter ended 30th June, 2022.

- In respect of Step Down Subsidiary (SDS),

(i) The management has carried out impairment assessment in respect of goodwill and tangible assets considering the accumulated losses. Based on such assessment, the excess of carrying value of goodwill and tangible assets (net of impairment) over the recoverable amount has been accounted as an impairment provision of Rs. 27 lakhs during the quarter ended 30th June 2022, Rs.41 lakhs for the quarter ended 31st March 2022, Rs.27 lakhs for the quarter ended 30th June, 2021 and Rs.135 lakhs for the year ended 31st March 2022. Aggregate impairment provision made upto 30th June,2022 amounts to Rs.702 lakhs. Management is of the view that expected growth in the demand of the SDS'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 30th June 2022. The provision is disclosed as exceptional item in consolidated financial results.

(ii) (a) 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 SDSs products and these inventories have realizable value greater than cost. Based on the management estimate provision is made wherever considered necessary. (b) Further, the improvement in the systems and processes of maintaining the inventory records is in process.

(iii) Remuneration provided in book of SDS and payable to Mr Abhinav Goyal and Mrs Neha Goyal aggregating to Rs. 52 lakhs (equivalent to USD 67,354) for the quarter ended 30th June 2022 is subject to shareholder's approval in the ensuing annual general meeting of the Company scheduled on 30th July 2022.

(iv) During the earlier year, the Company had received financial support of Rs.281 lakhs (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. Balance unspent of Rs.71 lakhs (USD 96,050) which was grouped under short-term borrowings as "Amount received towards Paycheck protection program" for the year ended 31st March 2021, was fully utilised as per the government guidelines during the quarter ended 30th June 2021. Further, income and relevant expenses of Rs. 71 lakhs were considered as exceptional items for the quarter ended 30th June 2021 and year ended 31st March, 2022.

(v) During the quarter ended 30th June 2022, SDS have received refund of employee related taxes for the earlier period of Rs. 27 lakhs (equivalent USD 35,000) from the US Government in respect of the 'Employees Retention Credit' (ERC) under 'Taxpayer Certainty and Disaster Tax Relief Act of 2020'. Further, this is considered as exceptional item for the quarter ended 30th June, 2022.

Statutory auditors have drawn reference of the matters covered in para (i) & (ii) above in their report on the audited / unaudited consolidated financial results of the previous years and earlier quarters.

- In the previous year, the Company had provided for additional incentives in respect of Chairman and Managing Director amounting to Rs.27 lakhs for the year ended 31st March 2022 and further provision was made in quarter ended 30th June 2022 of Rs. 7.50 lakhs, which is subject to approval of shareholders in the ensuing annual general meeting.
- The Board of Directors has recommended the final dividend of Rs. 1.5 per Equity share of Rs.10/- each for the financial year ended 31st March, 2022 in the Board Meeting of the Company held on 12th May, 2022 which is subject to the approval of shareholders in ensuing annual general meeting.
- Figures for the previous quarter ended 31st March 2022 are balancing figures between audited figures in respect of the full financial year and published year to date figures upto the 3rd quarter of relevant standalone and consolidated financial results.



[Handwritten Signature]



Statement of standalone & consolidated financial results for the quarter ended 30th June 2022 (Continued)
Notes to financial results (continued):

11 Exceptional items- expenses/(income):

Particulars	Standalone				Consolidated			
	Quarter ended		Year ended		Quarter ended		Year ended	
	30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022	30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022
Provision for impairment of investment in the WOS [Refer para 3]	27	41	27	135	-	-	-	-
Provision for impairment of Goodwill and tangible assets in the SDS [Refer para 7(b)(i)]	-	-	-	-	27	41	27	135
Financial support received in the SDS [Refer para 7 (b)(iv)]	-	-	-	-	-	-	(71)	(71)
Refund of employee related taxes for the earlier period in the SDS [Refer para 7 (b)(v)]	-	-	-	-	(28)	-	-	-
Expenses incurred against financial support received in the SDS [Refer para 7 (b)(iv)]	-	-	-	-	-	-	71	71
Total	27	41	27	135	(1)	41	27	135

12 Segment disclosure:

The Group is primarily engaged in manufacturing of closed die forgings & steel processing and generating power from wind turbine generator.

Particulars	Standalone				Consolidated			
	Quarter ended		Year ended		Quarter ended		Year ended	
	30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022	30-Jun-2022	31-Mar-2022	30-Jun-2021	31-Mar-2022
	Unaudited	Unaudited (Refer note 10)	Unaudited	Audited	Unaudited	Unaudited (Refer note 10)	Unaudited	Audited
Segment revenue								
(a) Closed die steel forging and processing	5,922	6,013	4,182	20,521	6,425	6,364	4,527	21,883
(b) Power generation	57	29	59	197	57	29	59	197
Total	5,979	6,042	4,242	20,718	6,482	6,393	4,586	22,080
Less: Intersegment revenue	-	-	-	-	-	-	-	-
Net sales / income from operations	5,979	6,042	4,242	20,718	6,482	6,393	4,586	22,080
Segment result								
Profit / (loss) before tax, finance cost from segment and other un-allocable expenses / (income) and after exceptional item as per para 7(b)(iv) & 7(b)(v)								
(a) Closed die steel forging and processing	661	514	516	2,047	1,013	777	652	2,649
(b) Power generation	37	8	39	115	37	8	39	115
Total	698	523	555	2,162	1,050	786	691	2,763
Less:								
(i) Finance cost	129	116	96	440	149	128	107	489
(ii) Other un-allocable expenditure / (income) (net) [net of exceptional item- para 7(b)(i)]	92	(99)	(57)	(214)	97	(86)	(60)	(216)
Profit before tax	477	506	517	1,936	804	743	644	2,490
Capital employed:								
Segment assets								
(a) Closed die steel forging and processing	18,793	17,198	15,239	17,198	19,359	17,909	14,560	17,909
(b) Power generation	1,074	1,031	1,243	1,031	1,074	1,031	1,243	1,031
(c) Unallocated	795	811	865	811	493	444	366	444
Total (A)	20,662	19,040	17,348	19,040	20,926	19,384	16,169	19,384
Segment liabilities								
(a) Closed die steel forging and processing	4,226	3,029	2,761	3,029	4,434	3,418	2,942	3,418
(b) Power generation	-	-	-	-	-	-	-	-
(c) Unallocated	6,869	6,770	6,234	6,770	8,459	8,450	6,986	8,450
Total (B)	11,095	9,799	8,995	9,799	12,893	11,868	9,928	11,868
Capital Employed (Segment Assets- Segment Liabilities) (A-B)								
(a) Closed die steel forging and processing	14,567	14,169	12,479	14,169	14,925	14,491	11,618	14,491
(b) Power generation	1,074	1,031	1,243	1,031	1,074	1,031	1,243	1,031
(c) Unallocated	(6,074)	(5,959)	(5,369)	(5,959)	(7,966)	(8,006)	(6,620)	(8,006)
Total	9,567	9,241	8,353	9,241	8,033	7,516	6,241	7,516

Business segment:

Based on the "management approach" as defined in IND AS 108 - Operating Segments, the Chief Operating decision makers evaluate the performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

SIGNED FOR IDENTIFICATION BY
N. A. Shah
N. A. SHAH ASSOCIATES LLP
MUMBAI

For Pradeep Metals Limited
Pradeep G. G.
Pradeep G. G.
Chairman and Managing Director
DIN: 00008370
Navi Mumbai
Date: 30th July 2022



Limited review report on quarterly unaudited standalone financial results of Pradeep Metals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors of
Pradeep Metals Limited

We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Pradeep Metals Limited ("the Company") for the quarter ended 30th June, 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management responsibility

The Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

This Statement includes unaudited results for the quarter ended 31st March, 2022 being the derived figures between the audited annual figures in respect of the financial year ended 31st March, 2022 and the published unaudited figures for the nine-months ended 31st December, 2021 which were subjected to a limited review.

Auditor's responsibility

Our responsibility is to issue report on this Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter

- a. Reference is invited to note 3 of the notes to financial results. In view of accumulated losses in the wholly owned subsidiary (WOS) and step down subsidiary (SDS), and provision for impairment of goodwill and tangible assets by SDS, 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 additional provision for impairment of Rs. 27 lakhs in the value of its investment in WOS during the quarter ended 30th June 2022 (Provision for impairment made of Rs.41 lakhs for the quarter ended 31st March 2022, Rs.27 lakhs for the quarter ended 30th June, 2021 and Rs.135 lakhs for the year ended 31st March 2022 and aggregate impairment provision upto 30th June, 2022 is Rs.702 lakhs). In the view of management, considering the long term and strategic nature of investment, the balance carrying value of investment in WOS would yield the required benefits and the loan given to the WOS is considered as fully recoverable. This matter was also reported under 'Emphasis of matter' paragraph in our report for previous years and earlier quarters.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

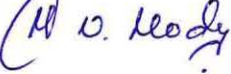
- b. Note 8 of the financial results regarding provision made towards additional incentives to managing director of the Company which is subject to the approval of the shareholders in ensuing annual general meeting. This matter was also reported under 'Emphasis of matter' paragraph in our report for previous year.

Our conclusion is not modified in respect of above matters. Our opinion / conclusion was not modified in previous years and earlier quarters also.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W/W100149



Milan Mody

Partner

Membership number: 103286

UDIN: 22103286 ANXNVA9450



Place: Mumbai

Date: 30th July, 2022

Limited Review Report on quarterly unaudited consolidated financial results of Pradeep Metals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors of
Pradeep Metals Limited

We have reviewed the accompanying statement of unaudited consolidated financial results of Pradeep Metals Limited ('the Holding Company') and its Wholly Owned Subsidiary (WOS) and Step Down Subsidiary (SDS) (collectively referred to as 'the Group'), for the quarter ended 30th June 2022, ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management's responsibility

The Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.

The Statement includes unaudited results for the quarter ended 31st March, 2022 being the derived figures between the audited annual figures in respect of the financial year ended 31st March, 2022 and the published unaudited figures for the nine months ended 31st December, 2021 which were subjected to a limited review.

Auditor's responsibility

Our responsibility is to issue report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

These unaudited consolidated financial results include results of the following entities:

Name of the Entity	Relationship
Pradeep Metals Limited Inc., USA	Wholly Owned Subsidiary (WOS)
Dimensional Machine Works LLC, USA	Step Down Subsidiary (SDS)

Conclusion

Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Emphasis of Matters

1. Reference is invited to note 7(b)(i), (ii) & (iii) of the Statement. In respect of SDS;
 - a) The management has carried out impairment assessment in respect of goodwill and tangible assets considering the accumulated losses. Based on such assessment, the excess of carrying value of goodwill and tangible assets over the recoverable amount has been accounted as impairment provision of Rs. 27 lakhs for the quarter ended 30th June 2022 (Provision for impairment made of Rs.41 lakhs for the quarter ended 31st March 2022, Rs.27 lakhs for the quarter ended 30th June, 2021 and Rs.135 lakhs for the year ended 31st March 2022 and aggregate impairment provision upto 30th June 2022 is Rs.702 lakhs). Management is of the view that expected growth in the demand of the SDS'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 30th June 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 SDS's products and these inventories have realizable value greater than cost. Based on the management estimate, provision is made wherever considered necessary. We have relied on the management for the demand estimate and expected price realization. (ii) Further, the improvement in the systems and processes of maintaining the inventory records is in process.

The matters in paragraph 1 (a) and 1 (b) above, were reported under 'Emphasis of matter' paragraph in our report for previous years and earlier quarters.
- c) Remuneration provided in book of SDS and payable to Mr. Abhinav Goyal and Mrs. Neha Goyal which is subject to the approval of the shareholders in ensuing annual general meeting of the Holding Company.
2. Note 8 of the financial results regarding provision made towards additional incentives to managing director of the Holding Company which is subject to the approval of the shareholders in ensuing annual general meeting. This matter was also reported under 'Emphasis of matter' paragraph in our report for previous year.

Our conclusion is not modified in respect of above matters. Our opinion / conclusion in respect of matters in paragraph 1(a), 1(b) and 2 above, was not modified in previous years and earlier quarters also.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W/W100149

M. V. Mody

Milan Mody

Partner

Membership number: 103286

UDIN: 22103286ANXOCJ5334



Place: Mumbai

Date: 30th July, 2022