



Pradeep Metals Limited

40th ANNUAL REPORT

2022 - 2023

Publicly listed on BSE
40 years in the forging business
Consistent Quality
Quick tool development
Low-volume High mix customized parts
All facilities under one roof
Highly qualified technical support

factory



our product range



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Pradeep Goyal	Chairman and Managing Director
Dr. Kewal Krishan Nohria	Non-Executive Director
Mrs. Neeru P. Goyal	Non-Executive Director
Mr. Abhinav Goyal	Non-Executive Director
Late Mr. Suresh G. Vaidya*	Independent Director
Mr. Jayavardhan Dhar Diwan	Independent Director
Mr. Kartick Maheshwari	Independent Director
Ms. Nandita Nagpal Vohra	Independent Director
Mr. Advait Kurlekar**	Independent Director (Additional)

* Ceased to be Director w.e.f. April 12, 2023

** Appointed as Director w.r.f. May 10, 2023

CHIEF FINANCIAL OFFICER

Ms. Kavita Choubisa Ojha

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Abhishek Rajesh Joshi

STATUTORY AUDITORS

N. A. Shah Associates LLP
Chartered Accountants

SECRETARIAL AUDITORS

Shweta Gokarn & Co.
Company Secretaries

INTERNAL AUDITORS

CNK & Associates LLP
Chartered Accountants

COST AUDITOR

Umesh Kakule & Associates
Cost and Management Accountants

BANK

Union Bank of India

REGISTERED OFFICE

R-205, MIDC, Rabale, Navi Mumbai 400 701.
Tel: +91-22-27691026; Fax: +91-22-27691123
e-mail: info@pradeepmetals.com, investors@pradeepmetals.com
Website: www.pradeepmetals.com
CIN: L99999MH1982PLC026191

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.
Tel: +91-22-49186270; Fax: +91-22-49186060
Email: rnt.helpdesk@linkintime.co.in

PERFORMANCE AT A GLANCE (STANDALONE)

(Rupees in Lakhs)

PARTICULARS	2022-23	2021-22	2020-21	2019-20	2018-19
Sales and Other Income (Net of GST)	25,012	21,283	14,364	17,829	17,611
Profit before Interest, Depreciation, Exceptional Items and Tax	3,812	3,097	2,187	3,159	2,815
Less: Finance Cost	543	443	382	615	693
Less: Depreciation	619	583	540	498	444
Less: Exceptional items	135	135	308	348	-
Profit Before Tax	2,514	1,936	958	1,698	1,678
Less: Taxation	649	512	339	410	484
(including MAT and Deferred Tax)					
Profit for the year before Dividend	1,865	1,424	618	1,288	1,194
Earnings per Equity Share of Rs.10/- each (in Rupees)					
a. Basic	10.80	8.25	3.58	7.46	6.91
b. Diluted	10.80	8.25	3.58	7.46	6.91
c. Net Worth (Rs. In Lakh)	10,628	9,241	7,987	7,341	6,398

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING OF PRADEEP METALS LIMITED WILL BE HELD ON FRIDAY, AUGUST 4, 2023 AT 11:30 A.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS ('VC' / 'OAVM') FACILITY TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Auditors thereon.
2. a. To confirm payment of an Interim Dividend of Re. 1/- per Equity Share for the Financial Year ended March 31, 2023; and
b. To declare Final Dividend on Equity Shares for the Financial Year ended March 31, 2023.

SPECIAL BUSINESS:

3. **To appoint a Director in place of Dr. Kewal Krishan Nohria (DIN: 00060015), who retires by rotation, has attained the age of Seventy-Five years and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the amended Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and that of the Board of the Company, Dr. Kewal Krishan Nohria (DIN: 00060015), Non-Executive Non-Independent Director of the Company, who retires by rotation in terms of Section 152 of the Companies Act, 2013 and who has attained the age of seventy-five years, being eligible and upon his consent, to continue as Director, be and is hereby re-appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **To appoint Mr. Advait Kurlekar (DIN: 00808669) as an Independent Director.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Advait Kurlekar (DIN: 00808669), who was appointed as an Additional Director on the Board of the Company in accordance with provisions of Section 161(1) of the Act on May 10, 2023 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years with effect from May 10, 2023 upto May 9, 2028.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. **To re-appoint Ms. Nandita Nagpal Vohra (DIN: 06962408) as an Independent Director for a Second Term of five years.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and that of the Board of the Company, Ms. Nandita Nagpal Vohra (DIN: 06962408) who holds office as an Independent Director up to December 27, 2023, be and is hereby re-appointed as an Independent Director of the Company for a second term of five years w.e.f. December 28, 2023 upto December 27, 2028.”

6. **To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2024.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Vishesh Naresh Patani, Cost Accountants (Firm Registration No. 101108), Mumbai, appointed by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the Cost Records of the Company for the Financial Year ending March 31, 2024, be paid a remuneration of Rs.1,35,000/- (Rupees One Lakh Thirty-Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.”

7. **To re-appoint Mr. Pradeep Goyal as a Chairman and Managing Director of the Company (DIN: 00008370) for a further period of 3 (Three) years and confirm continuation of Directorship upon attaining age of Seventy Years.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’, including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval(s) from the appropriate authorities, if required, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Pradeep Goyal (DIN:00008370) as the Chairman and Managing Director of the Company, for a further period of 3 (Three) years commencing from December 17, 2023 to December 16, 2026, on the following terms and conditions:

(i)	Basic Salary	From 17.12.2023 to 16.12.2024	Rs. 168 Lakhs p.a.
		From 17.12.2024 to 16.12.2025	Rs. 192 Lakhs p.a.
		From 17.12.2025 to 16.12.2026	Rs. 216 Lakhs p.a.

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(ii)	Incentive Pay	Subject to maximum of the following, to be decided by the Board of Directors / Nomination and Remuneration Committee depending on performance of the Company.	
		Financial Year 2023-24	Rs. 65.00 Lakhs
		Financial Year 2024-25	Rs. 70.00 Lakhs
		Financial Year 2025-26	Rs. 70.00 Lakhs
(iii)	Perquisites (Including Allowances)		
	Leave Travel Allowance	The yearly payment in the form of allowance shall be equivalent to one month's basic salary	
	Magazines / Books Allowance	Rs. 76,000/- per annum	
	Gas / Electricity / Maintenance Allowance	Rs. 1,45,200/- per annum	
	Medical Reimbursement	Expenditure incurred by the Chairman and Managing Director and his family	
	Club Fees	Actual Fees for maximum of two clubs. Admission fee and life Membership fees will not be paid by the Company.	
	Leave	As per Company's Rules	
	Encashment of leave	As per Company's Rules	
	Car with Driver	For use of the Company's business	

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where in any Financial Year during the currency of the term of Mr. Pradeep Goyal as the Chairman and Managing Director, the Company has no profits or its profits are inadequate, he shall be paid the remuneration stated above as 'Minimum Remuneration' in the respective Financial Year(s) even if the same may exceed the ceiling limit laid down in Section 197 and Schedule V to the Act.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where during the currency of the term of Mr. Pradeep Goyal as the Chairman and Managing Director, he attains the age of Seventy Years, he shall continue to be the Chairman and Managing Director till the expiry of his term of office.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof (hereinafter referred as 'the Board') be and is hereby also authorized to amend, alter, modify or otherwise vary the aforesaid terms and conditions / or remuneration of Mr. Pradeep Goyal, Chairman and Managing Director of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to obtain necessary Regulatory approvals (if applicable), to accept any modification to the aforesaid terms of remuneration of Chairman and Managing Director and to do all such other acts, deeds, matters and things as it may in absolute discretion deem fit for the purpose of giving effect to this resolution, including to delegate powers of the Board granted by this resolution to any Committee of Directors, or any Director or Secretary of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as it may, in it's absolute discretion, think necessary, expedite or desirable; to settle any question that may arise in relation thereto in order to give effect to the foregoing resolution."

8. To approve revision in remuneration of Mr. Abhinav Goyal, Director of the Company (DIN: 08786430) holding office or place of profit in Dimensional Machine Works, Wholly Owned Step-Down Subsidiary.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in modification of the Special Resolution dated July 30, 2022 and pursuant to the provisions of Sections 188, 177 and any other applicable provisions of the Companies Act, 2013 (herein after referred to as ‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Members of the Company be and is hereby accorded to approve revision of remuneration payable by Dimensional Machine Works (DMW), LLC, 100% Wholly Owned Step-Down Subsidiary to Mr. Abhinav Goyal, Director of the Company (DIN: 08786430), as follows:

(i)	Basic Salary and Allowances	USD 21,000 per Month (Equivalent to Rs. 17.25 Lakhs*) (Overall Limit remains the same as approved earlier)
(ii)	Employer’s Contribution towards Social Security Tax and Medicare Tax	Employer’s Contribution towards Social Security Tax and Medicare Tax on the Salary shall be at the prevailing rates from time to time. (Currently the Employer is required to contribute 6.2% and 1.45% of the Salary, towards Social Security Tax and Medicare Tax, respectively.)
(iii)	Car and its expenses	For use of the Company’s business

***Exchange rate as on March 31, 2023 – Rs. 82.17/-**

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as in its absolute discretion it may think necessary, expedite or desirable; to settle any question that may arise in relation thereto in order to give effect to the foregoing resolution.”

9. To approve revision in remuneration of Ms. Neha Goyal, holding office or place of profit in Dimensional Machine Works, Wholly Owned Step-Down Subsidiary.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

‘RESOLVED THAT in modification of the Special Resolution dated July 30, 2022 and pursuant to the provisions of Sections 188, 177 and any other applicable provisions of the Companies Act, 2013 (herein after referred to as ‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Members of the Company be and is hereby accorded to approve revision of remuneration payable by Dimensional Machine Works (DMW), LLC, 100% Wholly Owned Step-Down Subsidiary to Ms. Neha Goyal, as follows:

(i)	Basic Salary and Allowances	USD 15,000 per Month (Equivalent to Rs. 12.32 Lakhs*) (Overall Limit remains the same as approved earlier)
(ii)	Employer’s Contribution towards Social Security Tax	Employer’s Contribution towards Social Security Tax on the Salary shall be at the prevailing rates from time to time. (Currently the Employer is required to contribute 6.2% of the Salary, towards Social Security Tax.)
(iii)	Car and its expenses	For use on the Company’s business

***Exchange rate as on March 31, 2023 – Rs. 82.17/-**

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RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as in its absolute discretion it may think necessary, expedite or desirable; to settle any question that may arise in relation thereto in order to give effect to the foregoing resolution.”

Place: Navi Mumbai

Date: May 10, 2023

By order of the Board of Directors

For PRADEEP METALS LTD

Sd/-

Abhishek Joshi

Company Secretary & Compliance Officer

ACS: 64446

REGISTERED OFFICE:

R-205, MIDC, Rabale, Navi Mumbai - 400 701

Tel. no. +91-22-27691026 Fax:+91-22-27691123

Email: investors@pradeepmetals.com

Website: www.pradeepmetals.com

CIN: L99999MH1982PLC026191

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14 / 2020 dated April 08, 2020, Circular No.17 / 2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20 / 2020 dated May 05, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and General Meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.
2. Pursuant to Circulars issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting. Since this AGM is being held through VC/OAVM, Attendance Slip and route map of AGM are not annexed to this Notice.
3. The Company has appointed Ms. Shweta Gokarn, Practicing Company Secretary (Certificate of Practice Number: 11001/Peer Review Registration:1693/2022) to act as a Scrutinizer, for conducting the remote E-Voting process and to conduct voting/poll at the AGM, in a fair and transparent manner.
4. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by

the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

7. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17 / 2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.pradeepmetals.com. The Notice can also be accessed from the Website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
9. The Members may note that the Income-tax Act, 1961, ('the IT Act') as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct tax at source ('TDS') at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For Resident Shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	10%* or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

** As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a Shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.*

However, no tax shall be deducted on the Dividend payable to resident individual Shareholders if the total dividend to be received by them during Financial Year 2023-24 does not exceed ₹ 5,000, and also in cases where Members provide Form 15G / Form 15H (Form 15H is applicable to Resident Individual Shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident Shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, Non-Resident Shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the Country of tax residence of the Shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with

MLI, Non-Resident Shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the Shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962.
- Copy of the Tax Residency Certificate for Financial Year 2023-24 obtained from the revenue or tax authorities of the Country of tax residence, duly attested by Shareholders.
- Self-declaration in Form 10F.
- Self-declaration by the Shareholders of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the Non-Resident Shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Shareholders.

*** As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a Shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a Non-Resident Shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.*

For all Shareholders:

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is as under:

<https://www.linkintime.co.in / client-downloads.html> - On this page select the General tab. All the forms are available in under the head 'Form 15G / 15H / 10F'

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL mentioned below

<https://linkintime.co.in / formsreg / submission-of-form-15g-15h.html>.

On this page the user shall be prompted to select / share the following information to register their request.

1. Select the Company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Limited should be done on or before **Record date for the Dividend, i.e. July 27, 2023**, in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and / or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination / deduction shall be considered after **July 27, 2023, 6:00 PM**. The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities.

Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

All communications / queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its email address rnt.helpdesk@linkintime.co.in

10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents or to the Company Secretary, at the Company's Registered Office. Members are requested to note that Dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which Dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.
11. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in, to receive copies of the Annual Report 2022-23 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of Dividend.

Type of Shares held	Procedure	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited either by email to rnt.helpdesk@linkintime.co.in or by post to C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
	The forms for updating the above details are available at https://www.pradeepmetals.com/furnishing-of-pan-kyc-details-and-nomination-by-holders-of-physical-securities/	
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

1. REGISTRATION OF BANK EMAIL ID AND BANK ACCOUNT DETAILS:

- a) In case the Shareholder's email ID is already registered with the Company / its Registrar & Share Transfer Agent 'RTA' / Depositories, log in details for e-Voting are being sent on the registered email address.
- b) In case the Shareholder has not registered his / her / their email address with the Company / its RTA / Depositories and / or not updated the Bank Account mandate for receipt of Dividend, the following instructions to be followed:
 - i. Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email / Bank detail Registration - fill in the details and upload the required documents and submit. OR
 - ii. **In the case of Shares held in Demat mode:**

The Shareholder may please contact the Depository Participant ('DP') and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

- 2. Securities of listed Companies would be transferred in dematerialized form only w.e.f. April 01, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-Voting period begins on August 1, 2023 at 9:00 A.M. IST and ends on August 3, 2023 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 28, 2023, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the cut-off date, being July 28, 2023.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on 'Access to e-Voting' under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS Portal' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting. Shareholders / Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.

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	2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible Companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. Additionally, there are also links provided to access the system of all e-Voting service providers, so that the user can visit the e-Voting service providers' website directly.
	3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual Meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold Shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold Shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding Shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those Shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - a) Click on '**Forgot User Details / Password?**' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) '**Physical User Reset Password?**' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on 'Agree to 'Terms and Conditions' by selecting on the check box.
 - 8. Now, you will have to click on 'Login' button.
 - 9. After you click on the 'Login' button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- 1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
- 2. Select 'EVEN' of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual Meeting, you need to click on 'VC / OAVM' link placed under 'Join Meeting'.
- 3. Now you are ready for e-Voting as the Voting page opens.
- 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of Shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- 5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

- 1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shweta@shwetagokarn.com with a copy marked to evoting@nsdl.co.in. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-Voting' tab in their login.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Anubhav Saxena at evoting@nsdl.co.in.

Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:

1. In case Shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@pradeepmetals.com.
2. In case Shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@pradeepmetals.com.
3. If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual Meeting for Individual Shareholders holding securities in demat mode.**
4. Alternatively Shareholder / Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members / Shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of 'VC / OAVM' placed under 'Join meeting' menu against Company name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views / have questions may send their questions in advance mentioning their name demat account number / folio number, email id, mobile number at investors@pradeepmetals.com. The same will be replied by the Company suitably.

The Scrutinizer shall, immediately after the conclusion of voting at the 40th AGM, first count the votes cast during the 40th AGM, thereafter unblock the votes cast through remote e-Voting and make, not later than 48 hours of conclusion of the 40th AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.pradeepmetals.com) and on the website of NSDL (www.evoting.nsdl.com.) immediately. The result will also be displayed on the Notice Board of the Company at its Registered Office. The Company shall simultaneously forward the results to BSE Limited, where the Shares of the Company are listed. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the 40th AGM i.e. August 4, 2023.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 3

To appoint a Director in place of Dr. Kewal Krishan Nohria (DIN: 00060015), who retires by rotation, has attained the age of Seventy-Five years and being eligible, offers himself for re-appointment.

The Members of the Company, at the 37th Annual General Meeting held on September 25, 2020 had approved the continuation of appointment of Dr. Kewal Krishan Nohria, who had attained the age of Seventy-Five years as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, vide Special Resolution, pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Dr. Nohria has a rich and prudent experience in Electrical and Electronics industry and has provided valuable guidance to the Company from time to time. Hence, in the interest of the Company, it has been thought prudent to continue to avail his considerable expertise and thereby continue his directorship. The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, have recommended the re-appointment of Dr. Kewal Krishan Nohria for approval of Members at ensuing Annual General Meeting.

Additional details with regard to the nature of his expertise in specific functional areas and names of companies in which he holds Directorships / Chairmanships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Listing Regulations, is provided in the Corporate Governance Report forming part of the Annual Report. This Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Dr. Kewal Krishan Nohria, none of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of this Resolution.

The Board recommends passing of the Resolution set out at Item No. 3 of the accompanying notice as **Special Resolution**.

Item No. 4

To appoint Mr. Advait Kurlekar (DIN: 00808669) as an Independent Director.

Subsequent to demise of Late Mr. Suresh Vaidya, Independent Director of the Company on April 12, 2023, Board of Directors, based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on May 10, 2023, appointed Mr. Advait Kurlekar as an Additional Director (in the capacity of Independent Director) of the Company w.e.f. May 10, 2023 to hold the office till the conclusion of ensuing Annual General Meeting.

Further, the Board of Directors in their Meeting held on May 10, 2023 approved the appointment of Mr. Advait Kurlekar for a term of 5 years with effect from May 10, 2023 to May 9, 2028.

Mr. Advait Kurlekar is a B.Tech from IIT Bombay and has a Masters Degree in Management Studies from Mumbai University and has nearly 30 years of experience in industry, management consulting and coaching, having worked in leading organisations like Tata Motors, AF Ferguson and PWC prior to starting Upohan Management Consultants in 2009.

Mr. Advait Kurlekar also has expertise in the areas of business strategy, balanced scorecard and HR consulting and has led consulting projects across the range of sectors including BFSI, engineering, automotive, retail pharma, FMCG, hospitality, media and advertising.

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Additional information in respect of Mr. Kurlekar, pursuant to the Listing Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Annual Report and Accounts under the section Report on Corporate Governance. Mr. Kurlekar does not hold any Shares in the Company, either in his individual capacity or on a beneficial basis for any other person.

Mr. Kurlekar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Kurlekar fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and is independent of the management.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of Members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on May 10, 2023 has proposed that Mr. Advait Kurlekar be appointed as an Independent Director of the Company for a term of 5 years with effect from May 10, 2023 to May 9, 2028.

In addition to sitting fees for attending the Meetings of the Board / Committees, Mr. Kurlekar shall be entitled to remuneration by way of commission, as may be determined by the Board from time to time.

The terms and conditions of appointment of Mr. Kurlekar are available for inspection by the Members at the Registered Office of the Company on all working days (except Sundays and holidays) between 10:00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Advait Kurlekar and his relatives, none of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution.

The Board recommends passing of the Resolution set out at Item No. 4 of the accompanying notice as **Special Resolution**.

Item No. 5

To re-appoint Ms. Nandita Nagpal Vohra (DIN: 06962408) as an Independent Director for a Second Term of five years.

The Shareholders had, at the 36th Annual General Meeting held on August 10, 2019, approved the appointment of Ms. Nandita Nagpal Vohra as an Independent Director of the Company for a period of five years with effect from December 28, 2018. Ms. Vohra will complete her present term on December 27, 2023. For her re-appointment for second term as Independent Director, the approval of Members is being sought for by way of Special Resolution.

Ms. Nandita Nagpal Vohra is a Commerce Graduate (Hons.) from MCM DAV College, Chandigarh. She has done Masters of Business Administration from FMS, Delhi (1995). During her professional career of last 24 years, she has been associated with entities such as Asian Development Bank, The World Bank, L&T Infrastructure Finance Company Ltd., Feedback Ventures Pvt. Ltd., Kotak Mahindra Capital Company and CRISIL.

Additional information in respect of Ms. Vohra, pursuant to the Listing Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the section Report on Corporate Governance. Ms. Vohra does not hold any share in the Company, either in her individual capacity or on a beneficial basis for any other person.

Ms. Vohra has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Ms. Vohra fulfills the conditions specified in the Act and the Rules framed there under for appointment as an Independent Director and is independent of the Management.

The Board of Directors of the Company in their Meeting held on May 10, 2023, on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the re-appointment of Ms. Vohra as an Independent Director of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 ('Listing Amendment Regulations 2018'), or any amendment thereto or modification thereof.

In addition to sitting fees for attending the Meetings of the Board and its Committees, Ms. Vohra would be entitled to remuneration by way of commission, as may be determined by the Board.

Except Ms. Vohra and her relatives none of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution.

The Board recommends passing of the Resolution set out at Item No. 5 of the accompanying Notice as **Special Resolution**.

Item No. 6

To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2024.

The Board of Directors, on the recommendation of the Audit Committee at its Meeting held on May 10, 2023 approved the appointment of M/s. Vishesh Naresh Patani, Cost Accountants (Firm Registration No. 101108), Mumbai, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024 at a remuneration of Rs.1,35,000/- (Rupees One Lakh Thirty Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses at actual. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, consent of the Members is sought by passing an Ordinary Resolution, as set out at Item No. 6 of the Notice, for the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2024.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the Resolution.

The Board recommends passing of the Resolution set out at Item No. 6 of the accompanying Notice as **Ordinary Resolution**.

Item No. 7

To re-appoint Mr. Pradeep Goyal as a Chairman and Managing Director of the Company (DIN: 00008370) for a further period of 3 (Three) years and confirm continuation of Directorship upon attaining age of Seventy Years.

The Members of the Company had accorded their approval for re-appointment of Mr. Pradeep Goyal as the Chairman and Managing Director of the Company for a period of 3 years with effect from December 17, 2020 till December 16, 2023 and the remuneration payable to him, by passing a Special Resolution at its 37th Annual General Meeting held on September 25, 2020. In the 39th Annual General Meeting held on July 30, 2022, approval of the Members of the Company was obtained for increase in remuneration of Mr. Pradeep Goyal upto the existing term of his appointment. The tenure of Mr. Goyal as Chairman and Managing Director is expiring as on December 16, 2023.

The Board of Directors / Nomination & Remuneration Committee, at their meeting held on May 10, 2023, after careful consideration and deliberation on Mr. Goyal's qualifications, experience, expertise and responsibilities shouldered by him and rising volume of Company's business and profits and the practice prevailing in the Industry, thought it prudent and in the best interest of the Company that Mr. Goyal be re-appointed as Chairman and Managing Director of the Company for the tenure of 3 (three) years with effect from December 17, 2023 till December 16, 2026, on the terms and conditions and remuneration as mentioned in Resolution No. 7, subject to approval of its Members by a **Special Resolution**. Further, Members to note that Mr. Pradeep Goyal will attain the age of Seventy Years on November 20, 2025.

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Hence, pursuant to Section 196 of the Companies Act, 2013, approval of the Shareholders is being sought for confirmation on continuation of directorship of Mr. Pradeep Goyal upon attaining the age of Seventy years.

The information as required under Part II Section II (A)(iv) of Schedule V of the Companies Act, 2013 is given:

I. General Information			
Sr. No.	Particulars	Information	
1.	Nature of Industry	Manufacturer and Exporter of closed die forged and machined components.	
2.	Date or expected date of commencement of commercial production.	The Company is an existing Company and carrying out business for more than 34 years.	
3.	In case of a new company, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus.	Not Applicable	
4.	Financial Performance (standalone) based on given Indicators	Financial year 2022-23: Gross Revenue: Rs. 25,012 Lakhs Profit before Interest, Depreciation, Exceptional items and Tax: Rs. 3,811.74 Lakhs Profit after Tax (before OCI): Rs. 1,865.14 Lakhs Rate of Dividend: 10% Earnings per Share: Rs. 10.80	
5.	*Foreign Investments or Collaborations, if any (as on March 31, 2023)	Investment in Pradeep Metals Limited Inc, Houston, USA (WOS)	a) Equity / Investment: Rs. 1,342.53 Lakhs (At cost)
			b) Loan: Rs. 2,333.63 Lakhs (USD 2,840,000)
			c) Corporate Guarantees / Securities Furnished: Rs. 1,066.73 Lakhs (USD 12,98,201)

*Exchange Rate of USD 1= Rs. 82.17 for FY 2022-23

II. General Information		
Sr. No.	Particulars	Information
1.	Background details	Mr. Pradeep Goyal is associated with the Company since its incorporation. He is a qualified engineer having completed his B. Tech (Metallurgy) from Indian Institute of Technology, Kanpur (1978) and obtained his S.M. (Materials Science and Engineering) from the world renowned Massachusetts Institute of Technology, Cambridge, MA, USA, (1980). In 2006, Mr. Goyal established a state-of-the-art research center 'Industrial Microwave Research Center' (IMRC) in Mumbai, which is dedicated to developing microwave based environment friendly technologies for saving energy. IMRC is recognized as an 'In-house R&D unit' by Govt. of India, Ministry of Science and Technology, Department of Scientific & Industrial Research. Research was initiated in varied fields with an aim to reduce energy consumption and develop clean processes.

2.	Past Remuneration	<p>The remuneration drawn by Mr. Pradeep Goyal during the past three years is as follows:</p> <table><thead><tr><th>Year</th><th>Remuneration</th></tr></thead><tbody><tr><td>FY 2020-2021</td><td>Rs. 100.66 Lakhs plus Rs. 33.96 Incentive and perquisites</td></tr><tr><td>FY 2021-2022</td><td>Rs. 123.16 Lakhs plus Rs. 52.23 Lakhs Incentive and perquisites</td></tr><tr><td>FY 2022-2023</td><td>Rs. 123.48 Lakhs plus Rs. 55.00 Lakhs Incentive and perquisites</td></tr></tbody></table>	Year	Remuneration	FY 2020-2021	Rs. 100.66 Lakhs plus Rs. 33.96 Incentive and perquisites	FY 2021-2022	Rs. 123.16 Lakhs plus Rs. 52.23 Lakhs Incentive and perquisites	FY 2022-2023	Rs. 123.48 Lakhs plus Rs. 55.00 Lakhs Incentive and perquisites
Year	Remuneration									
FY 2020-2021	Rs. 100.66 Lakhs plus Rs. 33.96 Incentive and perquisites									
FY 2021-2022	Rs. 123.16 Lakhs plus Rs. 52.23 Lakhs Incentive and perquisites									
FY 2022-2023	Rs. 123.48 Lakhs plus Rs. 55.00 Lakhs Incentive and perquisites									
3.	Recognition or Awards	Mr. Pradeep Goyal was awarded the 1 st Rank in Metallurgy at I.I.T., Kanpur and received Silver Medal from the President of India. Best Student Metallurgist Award was conferred on him by the Indian Institute of Metals in 1978. He is the recipient of several awards and scholarships all through his career.								
4.	Job Profile and his suitability	Mr. Pradeep Goyal is associated with Company since its incorporation and he is on its Board of Directors since the year 1983. He has been acting as the Managing Director of the Company since December 17, 2000. In 2010, he was elevated as the Chairman and Managing Director of the Company. The Company has been growing due to his technical, marketing and management expertise.								
5.	Comparative Remuneration Profile with respect to industry; size of Company; profile and position of the person	Considering the qualification and experience of Mr. Pradeep Goyal and looking to the considerable growth of the Company, its increasing revenue and the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar level counterpart(s) in the Industry.								
6.	Pecuniary relationship directly or indirectly with the Company or relation with Managerial Person	Mr. Pradeep Goyal belongs to the Promoter Group and is related to Mrs. Neeru Goyal and Mr. Abhinav Goyal, Directors. Besides remuneration being paid / proposed to be paid, he does not have any pecuniary relationship with the Company.								

III. Other Information

Sr. No.	Particulars	Information
1.	Reasons of loss or inadequate profits	NA
2.	Steps taken or proposed to be taken for improvement	Continuous efforts are being made to reduce the costs, wherever feasible, improve operational efficiency and develop new products and customers. It is amply reflected in the operations of the Company.
3.	Expected increase in productivity and profits in measurement terms	Considering the market conditions prevailing globally and efforts made by the management to develop new products and customers and the Company expects to achieve improved revenue and profitability going forward.

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IV. Disclosures		
Sr. No.	Particulars	Information
1.	Remuneration package of the appointee	As per the terms and conditions given in the Special Resolution and its Explanatory Statement under Item No. 7.
2.	Details of fixed component and performance linked	As per the terms and conditions given in the Special Resolution and its Explanatory Statement under Item No. 7.
3.	Service Contract, Notice Period, Severance Fees	NA
4.	Stock Options details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	NA

Considering Mr. Pradeep Goyal's qualifications, experience, expertise, responsibilities shouldered by him, the rising volume of Company's business and profits earned by it, the proposed re-appointment and terms of remuneration can be considered reasonable. Your Directors are of the opinion that the re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director and Promoter of the Company is in the best interest of the Company.

Except Mr. Pradeep Goyal, Mrs. Neeru P. Goyal, Directors and Promoters and Mr. Abhinav Goyal, Director of the Company, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, anyway, concerned or interested, financially or otherwise, in this Resolution. Further, Mr. Pradeep Goyal holds 9.13% shareholding of the Company and belongs to the Promoters Group.

The above Explanatory Statement shall be construed as an abstract of the terms of the appointment / re-appointment / variations, together with a Memorandum of interest or concern of the interested Directors, as prescribed under Section 190 of the Companies Act, 2013.

The Board commends passing of the Resolution set out at Item No. 7 of the accompanying Notice as **Special Resolution**.

Item No. 8

To approve revision in remuneration of Mr. Abhinav Goyal, Director of the Company (DIN: 00008370) by Dimensional Machine Works, Wholly Owned Step-Down Subsidiary.

Mr. Abhinav Goyal, Non-Executive Director of the Company, is employed with Dimensional Machine Works (DMW), LLC, 100% Wholly Owned Subsidiary of Pradeep Metals Ltd, Inc (WOS) and consequently 100% Step Down Subsidiary of Company (SDS).

The Members of the Company, vide Special Resolution dated July 30, 2022, had approved the limit of remuneration payable to Mr. Abhinav, for holding Office or Place of Profit in DMW, for a period of 3 years w.e.f. April 01, 2022 to March 31, 2025, as follows:

- Monthly Remuneration payable shall not exceed USD 15,000 (Equivalent to Rs. 12.32 Lakhs approx) plus HRA not exceeding USD 6,000 (Equivalent to Rs. 4.93 Lakhs approx) or rent free accommodation in lieu therefore.

In view of the applicable laws of the federal state of Texas, United States of America, the limits of remuneration of Mr. Abhinav Goyal, to be paid by DMW for holding Office or Place of Profit are being revised upwards to include Employer's Contribution towards Social Security Tax and Medicare Tax on the Salary at the prevailing

rates from time to time. Currently the Employer is required to contribute 6.2% and 1.45% of the Salary, towards Social Security Tax and Medicare Tax, respectively.

Further, it is proposed to provide him a Car and its expenses for use of Company's business.

The overall limit for Basic Salary and Allowances paid to Mr. Goyal remains the same as approved earlier, i.e. USD 21,000 (Equivalent to Rs. 17.25 Lakhs approx).

The Nomination and Remuneration Committee and Audit Committee in their respective Meetings, held on May 10, 2023 have approved and recommended the above mentioned revision in remuneration of Mr. Goyal.

Please find below information pursuant to the SEBI Circular SEBI / HO / CFD / CMD1 / CIR / P / 2021 / 662 dated November 22, 2021 pertaining to the Disclosure obligations of listed entities in relation to Related Party Transactions:

1.	Type, material terms and particulars of the proposed transaction	Remuneration paid to Mr. Abinav Goyal by Dimensional Machine Works, LLC, 100% Step Down Subsidiary Company (SDS).
2.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Mr. Abhinav Goyal is a Non-Executive Director of the Company and related to Mr. Pradeep Goyal (CMD) and Mrs. Neeru Goyal (Director) who are also Promoters of the Company
3.	Tenure of the proposed transaction;	April 1, 2023 to March 31, 2025
4.	Value of the proposed transaction	<ul style="list-style-type: none"> a. Basic Salary and Allowances – USD 21,000 per Month (Equivalent of Rs.17.25 Lakhs approx). b. Employer's Contribution towards Social Security Tax & Medicare Tax – at the prevailing rate from time to time. Currently the Employer is required to contribute 6.2% and 1.45% of the Salary, towards Social Security Tax and Medicare Tax, respectively c. Provision of Car and its expenses for use of Company's business.
5.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction	<p>0.9% of Consolidated Turnover of Rs. 26,779 Lakhs for FY 2022-23 of the Company.</p> <p>6.96% of Standalone Turnover of Rs. 3,469 Lakhs for FY 2022-23 of the SDS.</p>
6.	Justification as to why the RPT is in the interest of the listed entity;	<p>Mr. Abhinav Goyal is employed as President with the SDS since May 1, 2015.</p> <p>Mr. Abhinav Goyal is a Bachelor of Science (Computer Engineering) from California Polytechnic State University, San Luis Obispo, California and MBA from Cornell University, Ithaca, New York.</p> <p>Mr. Abhinav Goyal has worked with CISCO Systems, CSC Consulting as consultant for 4 years.</p> <p>Mr. Abhinav Goyal has been working on strategic planning, production and marketing operations of SDS.</p> <p>SDS has now planned to diversify its activities towards other engineering products and has been able to develop new customers for engineering products, in which Mr. Abhinav Goyal has played a significant role.</p>

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Except Mr. Pradeep Goyal, Mrs. Neeru P. Goyal, Directors and Promoters, being relatives of Mr. Abhinav Goyal, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, anyway, concerned or interested, financially or otherwise, in this Resolution.

Further, Mr. Abhinav Goyal belongs to the Promoters Group.

The Board commends passing of the Resolution set out at Item No. 8 of the accompanying Notice as **Special Resolution**.

Item No. 9

To approve revision in remuneration of Ms. Neha Goyal, by Dimensional Machine Works, Wholly Owned Step-Down Subsidiary.

Mrs. Neha Goyal is employed with Dimensional Machine Works, LLC, 100% Wholly Owned Subsidiary of Pradeep Metals Ltd, Inc (WOS) and consequently 100 % Step Down Subsidiary of Company (SDS). She is related to Mr. Pradeep Goyal (CMD), Mrs. Neeru Goyal (Director) and Mr. Abhinav Goyal, (Director), who are also Promoters of the Company.

The Members of the Company, vide Special Resolution dated July 30, 2022, had approved the limit of remuneration payable to Ms. Neha, for holding Office or Place of Profit in DMW, for a period of 3 years w.e.f. April 01, 2022 to March 31, 2025, as follows:

- Monthly Remuneration payable shall not exceed USD 15,000 (Equivalent to Rs. 12.32 Lakhs approx).

In view of the applicable laws of the federal state of Texas, United States of America, the limits of remuneration of Ms. Neha Goyal, to be paid by DMW for holding Office or Place of Profit are being revised upwards to include Employer's Contribution towards Social Security Tax on the Salary at the prevailing rates from time to time. Currently the Employer is required to contribute 6.2% of the Salary, towards Social Security Tax.

Further, it is proposed to provide her the Car and its expenses for use of Company's business.

The overall limit for Basic Salary and Allowances paid to Ms. Goyal remains the same as approved earlier, i.e. USD 15,000 (Equivalent to Rs. 12.32 Lakhs approx).

The Nomination and Remuneration Committee and Audit Committee in their respective Meetings, held on May 10, 2023 have approved and recommended the above mentioned revision in remuneration of Mr. Goyal.

Please find below information pursuant to the SEBI Circular SEBI / HO / CFD / CMD1 / CIR / P / 2021 / 662 dated November 22, 2021 pertaining to the Disclosure obligations of listed entities in relation to Related Party Transactions:

1.	Type, material terms and particulars of the proposed transaction	Revision in Remuneration paid to Ms. Neha Goyal by Dimensional Machine Works, LLC, 100% Step down Subsidiary Company (SDS).
2.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Ms. Neha Goyal is related to Mr. Pradeep Goyal (CMD), Mr. Abhinav Goyal (Director), and Mrs. Neeru Goyal (Director) of Company and who are also Promoters of the Company.
3.	Tenure of the proposed transaction;	April 1, 2023 to March 31, 2025

4.	Value of the proposed transaction	<p>a. Basic Salary and Allowances – USD15,000 per Month (Equivalent of Rs.12.32 Lakhs approx)</p> <p>b. Employer's Contribution towards Social Security Tax – at the prevailing rate from time to time. Currently the Employer is required to contribute 6.2% of the Salary, towards Social Security Tax.</p> <p>c. Provision of Car and its expenses for use of Company's business.</p>
5.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction	<p>0.6% of Consolidated Turnover of Rs. 26,779 Lakhs for FY 2022-23 of the Company.</p> <p>4.60% of Standalone Turnover of Rs. 3,469 Lakhs for FY 2022-23 of the SDS.</p>
6.	Justification as to why the RPT is in the interest of the listed entity;	<p>Ms. Neha Goyal is employed with SDS as Accounting, HR, and Purchase Officer.</p> <p>Ms. Neha Goyal is Bsc. Business Administration (Finance Concentration) from Carnegie Mellon University, Tepper School of Business, Pittsburgh, USA and Msc. Risk Management and Financial Engineering from Imperial College Business School, London, UK.</p> <p>Ms. Neha Goyal looks after warehousing activities of SDS as well as WOS.</p>

Except Mr. Pradeep Goyal, Mrs. Neeru P. Goyal and Mr. Abhinav Goyal, Directors and Promoters, being relatives of Ms. Neha Goyal, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, anyway, concerned or interested, financially or otherwise, in this Resolution.

Further, Ms. Neha Goyal belongs to the Promoters Group.

The Board recommends passing of the Resolution set out at Item No. 8 of the accompanying Notice as **Special Resolution**.

By order of the Board of Directors
For Pradeep Metals Ltd

Sd/-
Abhishek Joshi
Company Secretary & Compliance Officer
Membership No: A64446
Place: Navi Mumbai
Date: May 10, 2023

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DIRECTORS' REPORT

Your Directors are pleased to present the Fortieth Annual Report together with the Audited Financial Statements for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

The Company's standalone financial performance for the year ended March 31, 2023 is summarized below:

(Rupees in Lakhs)

Year Ended	31.03.2023	31.03.2022
Total Income	25,012.05	21,283.09
Profit / (Loss) before Depreciation, Exceptional items and Taxes	3,268.26	2,653.69
Less: Depreciation & amortization expenses	619.07	583.11
Less: Exceptional Item*	135.00	135.00
Profit before taxes	2,514.19	1,935.59
Less: Provision for taxes	649.05	511.63
Profit after tax for the year	1,865.14	1,423.96
Other Comprehensive Income (Net of Taxes)	(46.14)	3.62
Total Comprehensive Income	1,819.00	1,427.58

*Exceptional Items represent provisions made for impairment in the value of investment in Pradeep Metals Limited Inc., Houston, USA (WOS) of Rs. 135.00 Lakhs (previous year Rs. 135.00 Lakhs);

2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:

The Company has achieved Revenues from Operations and Other Income of Rs. 25,012.05 Lakhs during the Financial Year ended March 31, 2023, an increase of 17.52% over the previous year. Profit before Exceptional Items and Taxes for the year has increased by 27.95% and Profit after Exceptional Items and Taxes increased by 30.98% during the year.

The consolidated Income of the Company is Rs. 27,038.06 Lakhs in the current year as compared to Rs. 22,533.77 Lakhs in the previous year, i.e. an increase of 19.99%. The consolidated Profit before Exceptional Items but after Taxes for the current year is Rs. 3,032.18 Lakhs as compared to Rs. 2132.41 Lakhs in the previous year.

Detailed analysis and future outlook of the Company's business are dealt in the Management Discussion and Analysis Report, which forms part of this Report.

3. DIVIDEND:

During the year, an interim Dividend of 10%, i.e. Re.1/- per Equity Share of Rs. 10/- each was declared by the Board of Directors on February 3, 2023.

The Directors have further recommended a Final Dividend of 10% i.e., Re. 1/- per Equity Share of Rs. 10/- each for the Financial Year ended March 31, 2023 in the Board Meeting held on May 10, 2023.

4. TRANSFER TO RESERVES:

No amount has been transferred to the General Reserve.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year under review.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, in terms of the amended Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), forms a part of this report.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company has one Wholly Owned Subsidiary namely Pradeep Metals Limited, Inc., Houston, USA(WOS) and one 100% Step-Down Subsidiary namely Dimensional Machine Works, LLC, Houston, USA (SDS). The financials of both the Subsidiaries are included in the Consolidated Financial Statements, which are prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Report.

The WOS is engaged in trading of the products manufactured by the Company. The WOS has also commenced agency business for marketing of the products of the Company in international market (excluding India) from January 01, 2021 for a period of three years. Apart from adding new business, this has helped the Company to serve the customers falling in different time zones by faster response and service.

The SDS has been engaged in manufacturing, trading and warehousing of components for Engineering industry in USA market.

The total income of the WOS and the SDS was Rs. 3,179.65 Lakhs (USD 3.947 Million) and Rs. 3,451.98 Lakhs (USD 4.285 Million) for the current year as compared to Rs. 2,668.69 Lakhs (USD 3.589 Million) and Rs. 1,640.30 Lakhs (USD 2.206 Million) for the previous year, respectively. The combined profit before Exceptional items and Taxes of both the Subsidiaries amounted of Rs. 554.43 Lakhs (USD 0.688 Million) for the year as compared to Rs. 602.77 Lakhs (USD 0.810 Million) in the previous year.

The performance of the Subsidiaries is getting improved in view of development of new customers and products. During the year, the WOS has also earned the Agency Commission income of Rs. 487.39 Lakhs (USD 0.608 Million) as compared to Rs. 426.09 Lakhs (USD 0.523 Million) during the previous year.

The Company doesn't have any Joint Venture or Associate Company.

As required by the Companies (Accounts) Rules, 2014, a report on performance and financial position of each of the subsidiaries, included in the Consolidated Financial Statements, is annexed to this Report as **Annexure A (Form No. AOC-1)**.

Material Subsidiaries:

Pursuant to amended Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Material Subsidiary' means a Subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website <https://www.pradeepmetals.com/policies/>.

With effect from April 01, 2023, Dimension Machine Works LLC, Wholly Owned Step-Down Subsidiary and Pradeep Metals Limited, Inc., Houston, USA, a Wholly Owned Subsidiary, falls under the definition of Material Subsidiaries.

8. DEPOSITS:

The Company has not invited nor accepted any fixed deposits from the public and hence, no amount of principal or interest was outstanding in respect thereof on the date of the Balance Sheet.

9. CREDIT RATING:

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by the rating agency as given below:

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Rating Agency	CRISIL Limited
Date of Rating	October 06, 2022
Total Bank Loan facilities rated	Rs. 10,200 Lakhs
Long-term Rating	CRISIL BBB / Stable (Upgraded from 'CRISIL BBB- / Positive')
Short-term Rating	CRISIL A3+ (Upgraded from 'CRISIL A3')

10. SHARE CAPITAL:

During the year under review, there was no change in the Company's Issued, Subscribed and Paid-up Equity Share Capital which consisted of 1,72,70,000 Equity Shares of Rs. 10/- each as on March 31, 2023. The Company has issued only one class of Equity Shares and it has not issued Shares with differential rights.

The Company has not issued any Equity Shares under Sweat Equity Share Capital or Employee Stock Option Scheme.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on March 31, 2023, the Company has Eight (8) Directors consisting of Four (4) Independent Directors (of which one is Woman Director), One (1) Executive Director and Three (3) Non-Executive Non-Independent Directors (of which one is Woman Director).

Cessation:

Late Mr. Suresh Gopal Vaidya ceased to be the Director of Company consequent to his death on April 12, 2023.

Appointment:

It is proposed to appoint Mr. Advait Kurlekar (DIN: 00808669) as an Independent Director at the ensuing Annual General Meeting, who was appointed as an Additional Director (Non-Executive / Independent) by Board of Directors in their Meeting held on May 10, 2023. Details of his background are given in the Corporate Governance Report, which forms part of this Annual Report.

Re-appointments:

- In accordance with the provisions of Section 152(6) of the Companies Act, 2013 ('the Act'), Dr. Kewal Krishan Nohria (DIN: 00060015), Non-Executive, Non-Independent Director, retires by rotation at the ensuing Annual General Meeting (AGM) and has attained Seventy-Five years of age, and being eligible, has offered himself for re-appointment. Details of his credentials are given in the Corporate Governance Report, which forms part of this Annual Report.
- In accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on recommendation of Nomination and Remuneration Committee, Ms. Nandita Nagpal Vohra (DIN: 06962408) is proposed to be re-appointed as an Independent Director of the Company at the ensuing Annual General Meeting for a second term of five years with effect from December 28, 2023 upto December 27, 2028. Details of her credentials are given in the Corporate Governance Report, which forms part of this Annual Report.
- The present term of Mr. Pradeep Goyal as the Chairman and Managing Director will expire on December 16, 2023. In view of his satisfactory performance and growth of the Company under his stewardship, it's now proposed to re-appoint him as a Chairman and Managing Director at the ensuing Annual General Meeting for a further period of three years w.e.f. December 17, 2023 upto December 16, 2026. Further, Mr. Pradeep Goyal will attain the age of Seventy Years on November 20, 2025.

Hence, pursuant to Section 196 of the Companies Act, 2013, approval of the Shareholders is being sought for confirmation on continuation of directorship of Mr. Pradeep Goyal upon attaining the age of Seventy years.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, Mr. Pradeep Goyal, Chairman and Managing Director, Ms. Kavita Choubisa Ojha, Chief Financial Officer and Mr. Abhishek Joshi, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company as on the date of this Report.

12. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure B**.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 ('the Act'), the Board of Directors, in respect of the year ended March 31, 2023, hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. a) DECLARATION BY INDEPENDENT DIRECTORS:

- The Company has received declarations from all Independent Directors of the Company, confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.
 - In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as Independent Director.
 - On the basis of declarations received from all Independent Directors and after undertaking a due assessment of the veracity of the same, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management.
- b) Mr. Kartick Maheshwari (DIN: 07969734), was re-appointed in the Annual General Meeting held on July 30, 2022 as an Independent Director for 2nd tenure with effect from November 10, 2022. The said appointment was based on the recommendation of the Nomination and Remuneration Committee and after taking into account the performance evaluation of his first term and his contribution to the Board considering the knowledge, acumen, expertise and experience.

15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION ETC:

The Company has put in place appropriate policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided in Section 178(3) of the Companies Act, 2013.

The salient features of Company's policy on Directors' remuneration have been disclosed in the Corporate Governance Report, which forms part of this Report.

16. ANNUAL EVALUATION OF BOARD'S PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, evaluation of the Board as a whole, individual Directors, Committees and Chairman was undertaken by circulating structured questionnaire to all the Directors, taking into consideration the guidelines issued by SEBI.

The Nomination and Remuneration Committee reviewed the performance of Individual Directors, the Board as a whole, Committees of the Board and Chairman and Managing Director after taking into consideration feedback received from the Directors. The evaluation was done on various parameters such as vision and strategy, participation, disclosures of interests, review of risk management policies and evaluating plans with reference to risk and return, good governance, leadership skills, operations, business development, human resources development, corporate communication, etc. as per the structured questionnaire circulated the feedback received from the Directors were then consolidated and discussed at the Board Meeting held on May 10, 2023. The Directors expressed their satisfaction with the evaluation process and the performance.

17. CORPORATE GOVERNANCE AND VIGIL MECHANISM:

A detailed Report on Corporate Governance, pursuant to the requirements of Regulation 34(3) of the Listing Regulations, forms an integral part of this Report. A Certificate from the Auditors of the Company, M/s. N.A. Shah Associates LLP, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (E) of the Listing Regulations, is annexed to this Report as **Annexure C**.

The Business Responsibility Report, as required by Regulation 34(2) of the Listing Regulations, is not applicable to the Company for the Financial Year ending March 31, 2023.

The Vigil Mechanism of the Company also incorporates a Whistle Blower Policy in terms of the Listing Regulations thereby establishing a vigil mechanism for the Directors and permanent employees for reporting genuine concerns, if any. Protected disclosures can be made by a whistle blower through an e-mail or dedicated telephone line or a letter to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <https://www.pradeepmetals.com/policies/>.

18. RISK MANAGEMENT:

The Directors had constituted a Risk Management Committee which was entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, Legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. However, since constitution of Risk Management Committee is not applicable to the Company as per the Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Risk Management Committee was dissolved w.e.f. May 13, 2017 and the Audit Committee currently looks into the Risk Management functions.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Corporate Social Responsibility Committee (CSR Committee) has formulated, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. It has been approved by the Board and the same has been hosted on the Company's website: <https://www.pradeepmetals.com/policies>.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. During the year, the Company has spent Rs. 35.30 Lakhs against the annual requirement of Rs. 35.09 Lakhs for the year 2022-23 on CSR activities.

Pursuant to the amendments in the CSR Rules dated January 22, 2021, the constitution of CSR Committee is not applicable where the CSR amount to be spent by a Company doesn't exceed Rs. 50 Lakhs and the functions of such Committee are to be discharged by the Board of Directors.

The Company has identified focus areas of engagement which have been enumerated in **Annexure D** to this Report.

20. AUDIT COMMITTEE:

The details in respect of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

21. AUDITORS AND AUDITORS' REPORT:

a. Statutory Auditors

Pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. N. A. Shah Associates LLP, Chartered Accountants (Registration No. 116560W / W100149), [formerly known as M/s. N. A. Shah Associates] were appointed in 37th AGM as the Statutory Auditors of the Company, for a term of 5 years i.e., till the conclusion of 42nd AGM of the Company to be held in the year 2025.

Auditors' Report

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

No frauds were reported by the Auditors under Sub-section (12) of Section 143 of Companies Act, 2013.

b. Cost Auditors

As per the requirement of Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 (the Act) read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company has been carrying out audit of its cost records every year.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Vishesh Naresh Patani, Cost & Management Accountants, Mumbai (Firm Registration No 101108) as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2023-24 at a remuneration of Rs.1,35,000/- (plus applicable taxes and reimbursement of out-of-pocket expenses at actuals).

Pursuant to Section 148 of the Act, a resolution seeking Members' approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing AGM.

The relevant Cost Audit Report for the Financial Year 2021-22 was filed with the Ministry of Corporate Affairs on August 29, 2022. No adverse comments have been made in the said Report.

c. Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, M/s. Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai (Certificate of Practice Number: 11001/Peer Review Registration:1693/2022) were appointed as the Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2022-23.

The Secretarial Auditors' Report for the Financial Year is annexed to this Report as **Annexure E**.

The Board has also re-appointed M/s. Shweta Gokarn & Co. as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2023-24.

22. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

The Company has made no investments in or advanced any loan to Pradeep Metals Limited Inc., Houston, USA (the WOS) during the Financial Year.

The Loans carry interest rate of 0.50% over the Union Bank of India rate for FCL(s), obtained by the Company or RBI's minimum bond rate according to IND-AS, as prescribed from time to time, whichever is higher and are repayable in half yearly installments of USD 0.150 Million each with effect from June 30, 2023.

As on March 31, 2023, Company's investment in WOS in the form of Equity Shares stands at Rs. 1,342.53 Lakhs (USD 1.978 Million) whereas the Unsecured Loans to WOS amount to Rs. 2,333.63 Lakhs (USD 2.840 Million).

23. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the Financial Year with Related Parties were in the ordinary course of business and on an arm's length basis. The Company has entered into an agency agreement with WOS for International marketing and support to the customers.

During the year, the Company did not enter into any contract / arrangement / transaction with Related Parties, other than the Wholly Owned Subsidiary, which could be considered material, in accordance with the policy of the Company on materiality of Related Party Transactions.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions, as approved by the Board, may be accessed on the Company's website [https://www.pradeepmetals.com / policies /](https://www.pradeepmetals.com/policies/).

The particulars as required under the Act along with the statement containing material transactions with any person or entity belonging to the Promoter / Promoter Groups which hold(s) 10% or more Shareholding, if any, are furnished in **Annexure F (Form No. AOC-2)** to this Report.

24. MATERIAL CHANGES AND COMMITMENTS:

No material changes have occurred and no commitments were given by the Company, thereby affecting its financial position between the end of the Financial Year to which these Financial Statements relate and the date of this Report.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure G** to this Report.

26. INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has in place adequate internal financial controls, commensurate with the activities and the size of the Company. During the year, such controls were tested and no reportable material weaknesses in the design or operations were observed.

27. SECRETARIAL STANDARDS:

The Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

28. HUMAN RESOURCES:

The Company recognizes its human resources as one of its prime and critical resources for its growth and hence it strives to align human resource policy and initiatives to meet business plans. The relations between the Management and the workers and Staff Members remained very cordial throughout the year under review. As on March 31, 2023, the Company had 513 employees on its payroll at its manufacturing plant and administrative office at Rabale, Navi Mumbai.

29. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year 2022-23, four Meetings of the Internal Complaints Committee were held.

30. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2023:

The Annual Return for the FY 2022-23 may be accessed on the Company's website <https://www.pradeepmetals.com>.

31. BOARD MEETINGS HELD DURING THE FY 2022-23:

During the Financial Year 2022-23, 4 (four) Board Meetings were held on May 12, 2022, July 30, 2022, November 10, 2022 and February 03, 2023, the details of which are furnished in the Corporate Governance Report forming part of this Report. The gap between any two Meetings did not exceed 120 days.

32. PROMOTER GROUP:

Change in Promoter and Promoter Group Shareholding:

Shares held by Mr. Pradeep Goyal, Mrs. Neeru Goyal and M/s. Nami Capital Private Limited form part of the Promoter Group Shareholding.

During the year under review, there were no changes in the Shareholding of Promoter / Promoter Group.

As on date, the total shareholding of Nami Capital Private Limited stands at 59.03%, while the overall shareholding of Promoter group stands at 73.49%. The total shareholding of the Promoters is within the maximum permissible limit of 75% as stated under the SEBI SAST Regulations.

33. PARTICULARS OF EMPLOYEES:

In terms of the provisions of Sub-Rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, none of the employees except Mr. Pradeep Goyal, Chairman and Managing Director of Company, drew remuneration in excess of the limits prescribed under the Act. Relevant particulars are given in **Annexure B** to this Report. The Report and the Accounts are being sent to the Members excluding the statement containing the names of top ten Employees in terms of remuneration drawn. In terms of Section 136 of the Act, the details of top ten Employees are open for Inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

34. SPECIAL BUSINESS:

As regards the items in the Notice of the Annual General Meeting relating to Special Business, the resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of Members to those resolutions.

The following resolutions are proposed to be passed as Special Business:

1. To appoint a Director in place of Dr. Kewal Krishan Nohria (DIN: 00060015), who retires by rotation, has attained the age of Seventy-Five years and being eligible, offers himself for re-appointment.
2. To appoint Mr. Advait Kurlekar (DIN: 00808669) as an Independent Director.

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3. To re-appoint Ms. Nandita Nagpal Vohra (DIN: 06962408) as an Independent Director for a Second Term of five years.
4. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2024.
5. To re-appoint Mr. Pradeep Goyal as a Chairman and Managing Director of the Company (DIN: 00008370) for a further of 3 (Three) years and confirm continuation of Directorship upon attaining age of Seventy Years.
6. To approve revision in remuneration of Mr. Abhinav Goyal, Director of the Company (DIN: 08786430) holding office or place of profit in Dimensional Machine Works, Wholly Owned Step-Down Subsidiary.
7. To approve revision in remuneration of Ms. Neha Goyal, holding office or place of profit in Dimensional Machine Works, Wholly Owned Step-Down Subsidiary.

35. GENERAL:

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year:

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There were no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year and at the end of the Financial Year.
- The details of the difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof- **Not applicable.**

36. ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Government authorities, Union Bank of India (bankers), customers, vendors, employees and Members during the year under review and look forward to their continued support.

Place: Navi Mumbai

Date: May 10, 2023

**For and on behalf of Board of Directors of
Pradeep Metals Limited**

Sd/-
Pradeep Goyal
Chairman and Managing
Director
DIN: 00008370

Sd/-
Neeru P. Goyal
Director
DIN: 05017190

Sd/-
Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Sd/-
Abhishek Joshi
Company Secretary &
Compliance Officer
ACS: 64446

**ANNEXURE A TO DIRECTORS' REPORT
FORM No. AOC-1**

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures.

Part 'A': Subsidiaries

(Rupees in Lakhs)*

Sr. No.	Name of Subsidiary	Pradeep Metals Ltd Inc., Houston, USA	Dimensional Machine Works, LLC, Houston, USA
1.	Date since when subsidiary was acquired	04.03.2015 #	25.04.2015
2.	Reporting period	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023
3.	Reporting Currency	USD	USD
4.	Share Capital	1,625.32	2,974.65
5.	Reserves and Surplus	160.86	-2,995.39
6.	Total Liabilities excluding Share Capital and Reserves	4,830.96	3,354.62
7.	Total Assets	6,617.15	3,333.87
8.	Investments	2,282.33	-
9.	Turnover / Total Income	3,179.65	3,451.98
10.	Profit before Exceptional Items and Taxes	293.05	261.38
11.	Exceptional Items	133.55	185.92
12.	Provisions for Taxation	-	-
13.	Profit after Exceptional Items and Taxes	159.50	75.46
14.	Proposed Dividend	-	-
15.	% of Shareholding	100%	100%

*Exchange Rate of USD 1= Rs. 82.170 for Balance Sheet items and Rs. 80.567 for Profit & Loss items.

Pradeep Metals Limited, New York, incorporated on June 12, 2012, was merged into Pradeep Metals Limited, Inc., Houston, USA since March 04, 2015.

- Names of the Subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated and sold during the year: None

Part 'B': Associate and Joint Ventures

- Names of the Associates / Joint Ventures which are yet to commence operations: None
- Names of Associates / Joint Ventures which have been liquidated or sold during the year: None

Place: Navi Mumbai

Date: May 10, 2023

**For and on behalf of Board of Directors of
Pradeep Metals Limited**

Sd/-
Pradeep Goyal
Chairman and
Managing Director
DIN: 00008370

Sd/-
Neeru P. Goyal
Director
DIN: 05017190

Sd/-
Kavita Choubisa Ojha
Chief Financial Officer
PAN: ATTPC7818E

Sd/-
Abhishek Joshi
Company Secretary &
Compliance Officer
ACS: 64446

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ANNEXURE B TO DIRECTORS' REPORT

Information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

Chairman and Managing Director	Ratio to median remuneration
Mr. Pradeep Goyal	41.88

Non-executive Directors received no remuneration, except sitting fees / commission for attending Board / Committees Meetings. The details of sitting fees / commission paid to Non-Executive Directors are provided in Corporate Governance Report.

II. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

a) Change in remuneration of Chairman & Managing Director

Sr. No	Name	Remuneration p.a. (Rs. in Lakhs)		% Increase in Remuneration
		2021-22	2022-23	
1	Mr. Pradeep Goyal	177.49	188.38	6.13%

Other Non-Executive Directors are paid only sitting fees / commission for attending Board / Committee Meetings.

b) Increase / Decrease in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in Financial Year:

i. Chief Financial Officer

Sr. No	Name	Remuneration p.a. (Rs. in Lakhs)		% Increase in Remuneration
		2021-22	2022-23	
1	Ms. Kavita Choubisa Ojha	19.64	23.24	18.33%

ii. Company Secretary

Sr. No	Name	Remuneration p.a. (Rs. in Lakhs)		% Increase in Remuneration
		2021-22*	2022-23	
2	Mr. Abhishek Joshi	1.49	4.47	N.A.

* Appointed w.e.f. December 01, 2021

III. The percentage increase in the median remuneration of employees in the Financial Year: 10.06%

IV. The number of permanent employees on the rolls of Company: 513

V. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increases in the salaries of the employees other than the managerial personnel is around 11.51%. However, the percentile increases in the managerial remuneration have been mentioned in point II above.

VI. Affirmation that the remuneration is as per the remuneration policy of the Company:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid is as per the remuneration policy.

VII. The particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- i. Details of employees employed throughout the year and in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One Crores and two Lakhs per annum.

Sr. No.	Name	Age in Year (Approx.)	Designation	Remuneration Paid (Rs. In Lakhs)			Nature of Employment	Qualification	Date of Commencement of Employment	Experience in Year (Approx.)	Last employment held and designation	% of Equity Shares held by the employee in the Company	Relation with any Director of the Company
				Gross Salary plus Benefits	Incentive Pay and Benefits	Total Remuneration							
1	Mr. Pradeep Goyal	67 years	Chairman and Managing Director	123.48	64.89	188.38	Contractual	Metallurgist from IIT, Kanpur with a Master's degree in Materials Science & Engineering from M.I.T., Cambridge, USA	17.12.2020	More than 40 years	Pradeep Metals Limited – Managing Director	9.12%	Spouse of Mrs. Neeru P. Goyal and Father of Mr. Abhinav P. Goyal

NOTE: Gross salary comprises of salary and allowances.

- ii. Details of employees employed for a part of the Financial Year and in receipt of remuneration for any part of the year, at a rate which, in aggregate, was not less than Rupees Eight Lakhs and Fifty thousand rupees per month: None
- iii. Details of employees employed throughout the Financial Year or part thereof and were in receipt of remuneration in the year and is in excess of the remuneration of the Managing Director or Whole Time Director: None

VIII. The Report and the Accounts are being sent to the Members excluding the statement containing the names of top ten Employees in terms of Remuneration drawn. In terms of Section 136 of the Act, the details of top ten Employees are open for its Inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of Board of Directors

Place: Navi Mumbai
Date: May 10, 2023

Sd/-
Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

**ANNEXURE C TO DIRECTORS' REPORT
AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To,
**The Members
Pradeep Metals Limited**

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

1. Based on the engagement by the management of Pradeep Metals Limited ('the Company'), we have examined details of compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2023 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') pursuant to the Listing Agreement of the Company with the Stock Exchange.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied the conditions of Corporate Governance as stipulated in Listing Regulations as applicable mentioned in para 1 above for the year ended March 31, 2023.
4. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause / Regulation as applicable. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination and according to explanations given to us and representations made by the Directors and Management, we certify that during the year ended March 31, 2023, the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations as applicable mentioned in para 1 above.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose of compliance with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N. A. Shah Associates LLP

Chartered Accountants

Firm registration number: 116560W / W100149

Sd/-

Bhavin Kapadia

Partner

Membership number: 118991

UDIN: 23118991BGYZYJ1836

Place: Mumbai

Date: May 10, 2023

ANNEXURE D TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2022-23

1. **Brief outline on CSR Policy of the Company** - The policy on Corporate Social Responsibility (CSR) may be accessed on the Company's website at the link: <https://www.pradeepmetals.com/policies/>.

2. **Composition of CSR Committee:**

Pursuant to the amendments in CSR Rules dated January 22, 2021 the constitution of CSR Committee is not applicable, where the CSR amount to be spent by a Company doesn't exceed Rs. 50 Lakhs and the functions of such Committee shall be discharged by the Board of Directors.

Further, the Company has formed an Internal Committee under Chief Financial Officer, where the Chief Operating Officer and the Company Secretary shall be responsible for implementation of the CSR projects / activities.

3.	Provide the web link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company	www.pradeepmetals.com
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable	NA
5.	Details of the amount available for set off in Pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:-	NA

Sr. No.	Financial Year	Amount available for set-off from preceding Financial Years (in Rs)	Amount required to be set-off for the Financial Year, if any
		NA	

6.	Average net profit of the Company as per section 135(5)	Rs. 1,754.52 Lakhs
7.	(a) Two percent of average net profit of the Company as per section 135(5)	Rs. 35.09 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years	Nil
	(c) Amount required to be set off for the Financial Year, if any	Nil
	(d) Total CSR obligation for the Financial Year (7a+7b-7c)	Rs. 35.09 Lakhs

8. **(a) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
Rs. 35.30 Lakhs	-	-	-	-	-

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(b) Details of CSR amount spent against ongoing projects for the Financial Year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project.		Project Duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation -Direct (Yes / No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No).	Location of the project.		Amount spent in the project (in Rs.).	Mode of Implementation -Direct (Yes / No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1.	Initiatives for Eradication of Polio	Health Clause	Yes	Maharashtra	Mumbai	0.55 Lakhs	No	Bombay South Rotary Club	CSR00005059
2.	Integrated village development-30 villages	Education & Skill Development	Yes	Maharashtra	Thane	22.00 Lakhs	No	Friends of Tribal Society	CSR00001898
3.	Contribution to Research & Development	Education & Skill Development	No	Uttar Pradesh	Kanpur	10.00 Lakhs	No	IIT Kanpur	CSR00004774
4.	To provide for Infrastructure Facilities required for operating Hospital	Health Clause	No	Maharashtra	Chhatrapati Sambhaji Nagar	2.75 Lakhs	No	Dr Babasaheb Ambedkar Vaidyakiya Pratishthan	CSR00000181
	TOTAL					Rs. 35.30 Lakhs			

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

Rs. 35.30 Lakhs

(g) Excess amount for set off, if any

Nil

Sl. No.	Particular	Amount (in Rs. in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	35.09 Lakhs
(ii)	Total amount spent for the Financial Year	35.30 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.21 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.21 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)		(6)	(7)
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2021-22	-	Rs. 32,99,000	-	-	-	-
2.	2020-21	Rs. 6,34,000	Rs. 26,14,000	-	-	-	Rs. 6,34,000
3.	2019-20	-	Rs. 25,10,000	-	-	-	-
	TOTAL	Rs. 6,34,000	Rs. 84,23,000				Rs. 6,34,000

(b) Details of CSR amount spent in the Financial Year for Ongoing Projects of the preceding Financial Year (s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the Project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year.	Status of the project - Completed / Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details) - Not Applicable

- | | |
|--|------|
| (a) Date of creation or acquisition of the capital asset(s) | N.A. |
| (b) Amount of CSR spent for creation or acquisition of capital asset | N.A. |
| (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | N.A. |
| (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset | N.A. |

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) N.A.

	Sd/-	Sd/-
	Pradeep Goyal	Neeru P. Goyal
Place: Navi Mumbai	Chairman and Managing Director	Director
Date: May 10, 2023	DIN:00008370	DIN: 05017190

ANNEXURE E TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Pradeep Metals Limited,

R 205, TTC INDL Area MIDC Rabale

Post Ghansoli, Navi Mumbai 400701.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pradeep Metals Limited** (hereinafter called the '**Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2023 ('**Audit Period**'), complied with the Statutory provisions listed hereunder and also that the Company has proper Board Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute books, forms and returns filed, and other records maintained by the Company for the Financial Year ended on March 31, 2023 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c. The Depositories Act, 1996, the regulations and byelaws framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable to the Company during the Audit Period**);
 - d) The Securities and Exchange Board of India (Shared Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not Applicable to the Company as the Company is not registered as Registrar & Transfer Agent**);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable to the Company during the Audit Period**);

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Women Directors and Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance except for the Meetings where consents of the Directors / Committee Members were taken to receive the Agenda at a short notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.
- Based on review of Compliance mechanism and Compliance Certificate(s) issued by the Functional Heads and taken on record by the Board of Directors at their Meeting(s), I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Shweta Gokarn & Co.
Company Secretaries
Peer Review Regn.: 1693 / 2022

Sd/-

Place: Navi Mumbai
Date: May 9, 2023

Ms. Shweta Gokarn
ACS: 30393
CP No: 11001
UDIN: A030393E000273757

Note: This report is to be read with our letter of even date, which is annexed herewith and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

**The Members,
Pradeep Metals Limited,**
R 205, TTC INDL Area MIDC Rabale
Post Ghansoli, Navi Mumbai 400701.

My report of even date is to be read along with this letter. This is to state that:

- a. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- e. Wherever required, I have obtained and relied on Management representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
- f. The Secretarial Audit Report for Financial Year ended on March 31, 2023 is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Shweta Gokarn & Co.
Company Secretaries
Peer Review Regn.: 1693 / 2022**

**Place: Navi Mumbai
Date: May 9, 2023**

**Sd/-
Ms. Shweta Gokarn
ACS: 30393
CP No: 11001
UDIN: A030393E000273757**

ANNEXURE F TO DIRECTORS' REPORT
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

During the year, the Company did not enter into any contract / arrangement / transaction with related parties, other than its Wholly Owned Subsidiary, which could be considered material, in accordance with the policy of the Company on materiality of Related Party Transactions. Details are mentioned in table below:

(Rs. In Lakhs)

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	Year Ended March 31, 2023
1	Pradeep Metals Limited, Inc., Houston, USA	100% Subsidiary	Sales	39.82
			Guarantee Commission Recovered	15.49
			Agency commission expenses	487.39
			Interest on Loan Received	151.04
			Reimbursement of freight charges recovered	9.10
			Professional fees reimbursement	1.25
2	Dimensional Machine Works, LLC	100% Stepdown Subsidiary Company	Purchase	0.38
			Sales	1,762.72
			Reimbursement of freight charges recovered	58.56
			Receivables	1,479.19
			Payable for Capital Goods	26.99

3. Transactions with any person or entity belonging to the promoter / promoter groups which hold(s) 10% or more shareholding in the format prescribed in the AS for annual results: NIL

For and on behalf of Board of Directors

Place: Navi Mumbai
Date: May 10, 2023

Sd/-
Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

ANNEXURE G TO DIRECTORS' REPORT**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo required under the Companies (Accounts) Rules, 2014.****A. CONSERVATION OF ENERGY:**

The Company continues to explore areas to further reduce the net consumption of energy. One identified area is to replace existing equipment with that of better fuel efficiency. We have ordered a new energy efficient forging hammer which is expected in March, 2024. Gas heating will be replaced by efficient solid state induction heating.

Design modification is an ongoing process for optimization of yield in the forging process and this results in increased productivity with attendant reduction in the use of energy.

The Company had earlier deferred plans to set up rooftop solar system on account of disruptions due to COVID-19. However, a 2.25 MW ground based solar project is proposed to be commissioned in the Financial Year 2023-24. This will make the company 100% operating on renewable energy.

The Company is also in an advanced stage of completing a project to improve power quality with energysaving (Reactive Power Management).

The schemes implemented in the past continue to control and reduce energy consumption.

1. Steps taken by the Company for utilizing alternate sources of energy:

- The Company has invested in a 2.1 MW windmill to reduce the carbon footprint.
- The Company has completely switched over to use of natural gas in place of liquid fuels resulting in lower pollution.
- Moving over to Induction Furnaces from Gas fired Furnaces for higher energy efficiency.

2. Capital investment on energy conservation equipment's:

Capital investment of around Rs. 9.00 Crores is done for the new 160 KJ CNC Hammer and Rs. 12.00 Crores is planned for the ground based solar project.

B. TECHNOLOGY ABSORPTION:**1. The efforts made towards technology absorption / development**

- i. The Company's In-House R&D Centre, 'Industrial Microwave Research Center (IMRC)' is recognized by the Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, New Delhi. The recognition is now valid up to March 2025.
- ii. The Company has absorbed the DRDO Bio-Digestor technology towards setting up a STP plant in the factory premises. This is a clean technology providing the desired results with low power consumption.

Highlights of the R&D projects during the last year:

- a. IMRC's microwave assisted technology for 'Rapid Curing of Resin Bonded Grinding Wheels' which was patented in USA, China, Japan and in India. The same is being transferred to a MSME grinding wheel manufacturer manufacturing similar types of grinding wheels. Their fast-moving 3-4 products (grinding wheels of different size & geometry) are being tried in our R&D center for re-optimization of process parameters. Also, the process is being scaled up for processing 10-50 per batch. With these experiments, we will be able to demonstrate the advantages of the microwave process while transferring this technology for their 3-4 fast moving products.

- b. Trials were conducted in the laboratory as well as in a prototype plant with different proportions of PML forging scales and coal. The required quantity of fluxing agents was added. The results obtained confirmed inclusion of Ni, Cr, and Mo in the final pig iron with chemical composition matching with 'Abrasion Resistant Steel'. Eventually, this will be a totally new product that can be offered to the casting / steel industry which is expected to give better returns to PML. This will be part of PML's efforts to improve their 'Circular Economy' by converting waste material to value added product.
 - c. A process for disinfestation of foodgrains with microwaves was finally demonstrated by IMRC using continuous microwave system installed with vibro-mixer, grain separator and a cyclone separator. The process demonstrated that the good grains can be easily separated using this system from the dead insects and broken grains. The throughput of this system at present is 130 kg / h. A complete mortality of all the insects was observed in all the samples (irrespective of grains) and no insect growth was observed in rice samples over 12 months of treatment. Further scaling the process to 2T / h is in progress for which a project proposal is submitted to Govt. of India. This process is being extended for drying of raw-turmeric rhizomes which has shown very encouraging results like a short time, maintain purity, higher curcumin content and retaining precious oils present in turmeric.
 - d. An STP plant with DRDO's Bio-Digester technology has been set up as a step to eliminate ground water contamination.
 - e. The Company is continuously adding new parts for its customers in its product list. This is a substantial R&D effort involving the expertise of all production departments.
2. **The benefits derived are: product improvement, cost reduction, product development or import substitution:**

The processes being developed in the field of Microwave are new and novel in concept. Monetary benefits from these technologies will be derived through sale of technology after granting of patents and scaling the process to a suitable scale that is required by the industry. Advanced efforts are underway through contacting user industries for commercialization of the developed processes. Apart from this, a proposal is also under consideration for scaling the process with the Ministry of Steel. The new iron making process is of national and international importance due to reduction of Green-house gas emissions and usage of any type of iron ore with total elimination of coke. The conversion of waste like forging scales which are not accepted by scrap dealers easily, causing problem of storage are being converted to special type 'abrasion resistant steel' which will improve the circular economy of PML. Apart from this, the grain disinfestation process will prove to be a game changing technology soon as the same technology can be adopted for other agricultural commodities. These technologies are being viewed as the flag-ship projects of Pradeep Metals Limited for society.

3. **In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):**

- a. Details of technology imported:
No new R&D technology was imported in 2022-23.
- b. **The year of import: No technology was imported.** However, 2016-17 a joint research was initiated with Chubu University of Japan for development of Microwave Assisted Iron Making Process using Indian iron ore.
- c. **Whether the technology has been fully absorbed:**
No technology was imported but developed jointly with Chubu University, Japan and the developed technology was further modified with better outcomes.

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- d. **If not fully absorbed, areas where absorption has not taken place and the reasons thereof:** NA
4. **The expenditure incurred on Research and Development:**
- a. Capital Expenditure: NIL
- b. Recurring Expenditure: Rs. 24.16 Lakhs
5. **Foreign exchange Earnings and Outgo 2022-23:**

	Amount
Foreign Exchange earned in terms of Actual Inflows (Export Sales)	Rs. 11,838.28 Lakhs
Subsidiary Loan Recovery	NIL
Foreign Exchange outgo in terms of Actual outflows:	Rs.875.89 Lakhs
a) Professional Fees Rs. 1.96 Lakhs	
b) Consumables Rs. 402.57 Lakhs	
c) Currency Rs. 15.02 Lakhs	
d) Insurance Rs. 15.24 Lakhs	
e) Agency Commission Rs. 425.04 Lakhs	
f) Equity - Nil	
g) Loan - Nil	
h) Other Rs. 16.06 Lakhs	

For and on behalf of Board of Directors

Place: Navi Mumbai
Date: May 10, 2023

Sd/-
Pradeep Goyal
Chairman and Managing Director
DIN: 00008370

MANAGEMENT DISCUSSION & ANALYSIS

1. GLOBAL OUTLOOK

International Monetary Fund (IMF) in its publication World Economic Outlook, 2023, has stated that global outlook seems to be uncertain again amid financial sector turmoil, high inflation, ongoing effects of Russia's invasion of Ukraine, and three years of COVID.

The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases.

2. INDIAN ECONOMY

The Asian Development Bank (ADB) projects growth in India's Gross Domestic Product (GDP) to moderate to 6.4% in fiscal year (FY) 2023 ending on March 31, 2024 and rise to 6.7% in FY 2024, driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem.

Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth.

3. BUSINESS ENVIRONMENT

The Indian steel and forging industry outlook for 2023 looks promising with the country gearing to become a US \$5 trillion economy by 2030 (or sooner). And as per market predictions and reports, the steel industry in India will play a pivotal role in steering India towards its goal (Source: EY-CII report).

As per reports by Care Edge Research, the domestic steel consumption growth rate in India is expected to be around 10-12% in FY 2023. There is also a rise in investments in the infrastructure sector and support from the government to encourage the growth and outlook of the Indian steel industry.

Steel is the basic raw material for the forging industry and typically constitutes 60-65% of the ex-factory value of forgings. As such, high steel prices have seriously impacted the forging industry in India.

The disruption caused by the corona virus has affected the automobile industry and hence, the automotive components and forging industries too. While the industry was reviving post the pandemic, the increase in steel prices has hampered the forging industry in India.

4. BUSINESS SNAPSHOT

Pradeep Metals Limited (PML) showed healthy growth and generated Rs. 24,588 Lakhs in annual sales through its products ranging from intricate closed die stainless, alloy and carbon steel forgings as finished and semi-finished machined components. The strategy of specialization in catering to custom made and small quantity orders continues to pay dividends and has made the Company the preferred supplier to its customers. The Company's expertise in making deliveries in short lead times, sometimes even 2 days, helps the customers to keep low level of inventories at their end.

Major customers of the Company are in India, USA, UK, Singapore, Sweden, Denmark, France, Germany, Italy, Mexico, New Zealand and Argentina. The Company uses state-of-the-art machinery

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with sophisticated tool-room equipment to manufacture its forgings and machined parts. It also employs hi-tech design and analysis software to create dies and tooling that play a key role in the production of forgings. The manufacturing plant is fully integrated with complete facilities for inspection, testing, cutting, dies and tool making, forging, heat-treatment, finishing, machining, cleaning, surface treatment and assembly.

The Company continues to enhance its machining capacity and capabilities by adding CNC Turning Centers, Vertical Machining Centers (VMC), Turn Mills / Mill Turns and other equipment to address the rising demand of finished machined components and sub-assemblies. In addition to in-house facilities, the Company has also made significant effort and developed dedicated vendors for machining, in order to supplement its machining capacity and capabilities.

Looking to the rising demand for machined components, the Company has expanded its machine shop capacity by importing surplus machineries from its Step-down Subsidiary namely Dimensional Machine Works, LLC, Houston (USA) and upgraded them. The Company continues to upgrade its plant, equipment and infrastructure, on continuous basis.

The Company uses its in-house metallurgical laboratory, process control, continuous improvement principles to manufacture quality products. The quality assurance systems have been approved by Global Original Equipment Manufacturers including nuclear grade and high-pressure equipments in Europe, USA and South East Asia. The Company is certified to ISO 9001:2015 Pressure Equipment Directive 2014 / 68 / EU (PED). The Company continues to improve its capabilities to serve highly quality conscious markets to maintain its niche position in the industry. The Company has been concentrating on exports for long term growth and exports about 50% - 55% of its finished goods. It has received ISO 14001:2015, ISO 45001:2018, Marine & Norsok certifications, etc. which are available on the website of the Company. Recently the Company has also embarked on a journey to improve its bottom line by employing TOC techniques in the process.

5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Standalone financial performance of the Company is summarized below: -

(Rupees in Lakhs)

Particulars	FY 2022-23	FY 2021-22	Change in %
Exports	11,766.62	10,381.23	13.35
Domestic Sales	12,419.05	9,987.91	24.34
Export Incentives	204.27	151.49	34.84
Income from Windmill	197.68	197.18	0.25
Other Income	424.43	565.27	(24.92)
Total Income	25,012.04	21,283.07	17.52
EBITDA	3,811.73	3,096.72	23.09
Profit before Exceptional Items and Taxes*	2,649.19	2,070.56	27.95
Profit after Exceptional Items but before Taxes*	2,514.19	1,935.56	29.89
Profit after Exceptional Items and Taxes (before Other Comprehensive income)	1,865.14	1,423.95	30.98
Total Comprehensive Income	1,818.98	1,427.57	27.42

*Exceptional Items represent, provision made for impairment in the value of investment in Pradeep Metals Limited Inc., Houston, USA (WOS) of Rs. 135.00 Lakhs (previous Year Rs. 135.00 Lakhs).

6. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Business verticals such as Valves, General Engineering and Instrumentation & Flanges contributed 32%, 37% and 31% respectively, to the total sales of the Company.

7. KEY FINANCIAL RATIOS (Standalone)

Particular	2022-23 (Audited)	2021-22 (Audited)	Variance %
Debtors turnover ratio	4.04	3.89	4
Inventory turnover ratio	6.68	6.83	(2)
Interest coverage ratio*	5.87	5.71	3
Current Ratio	1.30:1	1.31:1	-
Debt Equity Ratio	0.57:1	0.69:1	(17)
Operating Profit Margin	15.50%	14.93%	4
Net Profit Margin®	7.59%	6.87%	10
Return on Net worth	18.73%	15.72%	19

* Interest includes finance cost and bank charges.

@Prior to provision of Exceptional Item(s) of Rs. 135.00 Lakhs (previous year Rs. 135.00Lakhs)

8. FUTURE OUTLOOK

The Management is planning to expand our Machining capacity further and also replace some of the old forging equipment. This will be one of the focus areas in this year.

Considering the Government's policy of encouraging green energy, benefit being derived from the operation of a 2.1 MW Windmill plant and the experience gained, the Company has decided to acquire and install a 2.25 MW Land Based Solar Plant, on turnkey basis, at the cost of about Rs. 1,200 Lakhs. The said Solar Plant will be commissioned in FY 2023-24.

The power generated through Solar Plant will be substantially economical when compared with the MSEB's tariff. The pay-back period for Plant is expected to be 5 years whereas the Plant is guaranteed to generate power for 25 years with small degeneration of 5 % per year.

9. OPPORTUNITIES AND THREATS

Opportunities:

Following new opportunities have emerged to develop new overseas Customers:

- Developing trend among Countries of decreasing the dependence on China in the Post-Covid Scenario; and
- Signing of Free Trade Agreements (FTA) between India and various Countries
- New product and customer development is a focus area, which helps us to mitigate the risk of obsolete product range.
- Company's ability to support customer demand within the shortest possible lead time helps us to meet the ever-shrinking expected lead time due to the uncertain market conditions.

Threats:

- Emergence of EV market which may reduce demand for forged components.
- Labour intensive process, which can get hit during pandemics like Covid-19 and availability of Skilled labour.
- Tariff's war impacting the international trade.
- Hike in the prices of Steel, Consumables, Freight, etc.

10. RISKS AND AREAS OF CONCERN

The Company has a diverse portfolio of products, spread over a large number of customers and across geographies. This insulates it against industry risks. As steel is the major input with volatility risk, the pass-through contracts provide protection against volatility in steel prices. People risks are mitigated with motivation initiatives and engagement with employees.

11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a sound internal control system which ensures that (a) its financial reports are reliable; (b) its operations are effective and efficient; (c) its activities comply with applicable laws and regulations; and (d) accountability of assets and protects against loss through unauthorized use. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by the Management. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of Company's operations. Implementation of ERP is under process and its completion will further strengthen the financial controls.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and tracks the implementation of corrective actions. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit reports are submitted to the Chairman of the Audit Committee. Audit Committee plays a key role in providing assurance to the Board of Directors.

12. HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Industrial relations in Company have been harmonious and cordial. The employees gave remarkable support to Company during Covid times and continue to support Company in meeting its targets. Company, on its part, purchased Insurances to protect the employees from financial losses in case of Covid impact.

A company is only as good as its people. Company's philosophy is to engage with its employees at all levels. Dedication and commitment are encouraged and rewarded. The Company provides in-house training to its employees and sends them for obtaining training from various organizations. Company had a total of 513 employees on its payroll as on March 31, 2023.

Cautionary Statement:

Details provided hereinabove relating to various activities and future plans may be 'forward-looking statements' within the realm of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied. Company may need to change plans or other projections due to changes in Government policies, tax laws, market conditions and other incidental factors.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance for the Financial Year ended March 31, 2023 pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and amendments thereof in the prescribed format, is given as under:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Pradeep Metals Limited ('PML the Company') is committed to the highest standards of Corporate Governance in all its endeavors by including in all its operations and processes, the principles of transparency, integrity, professionalism and accountability. The Company believes in Corporate Governance as a necessary culture for achieving superior performance and its core being transparency, accountability, equity and openness in the working of the Management and the Board.

GOVERNANCE STRUCTURE

- The Company's governance structure comprises of the Board of Directors and the Committees of Board of Directors which function on the Principles of Prompt Decision Making, Statutory Compliance, Accurate and Timely Disclosures, Transparency and Monitoring in order to create a value addition for its Stakeholders. In line with these principles, the Company has formed two tiers of Corporate Governance Structure, viz.
 - a) The Board of Directors
 - b) The Committees of Board of Directors
- The Company has adopted a Code of Conduct for its Board of Directors including Independent Directors and Senior Management Personnel, which is on the website of the Company. <https://www.pradeepmetals.com/policies/>
- The Company has complied with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ('the Code') in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations) and amendments thereto. The Code is applicable to Promoters, members of Promoter's Group, all Directors and such Designated Employees who are expected to have access to Unpublished Price Sensitive Information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. This Code is displayed on the Company's website viz. <https://www.pradeepmetals.com/policies/>
- The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. <https://www.pradeepmetals.com/policies/>

2. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of a fair combination of Executive, Non-Executive and Independent Directors with diverse professional background complying with the provisions of the Companies Act, 2013 and the Listing Regulations.

- a. As on March 31, 2023, the Company had 8 (Eight) Directors; of the Eight Directors, 1 (One) is an Executive Director and 7 (Seven) are Non-Executive Directors, of which 4 (Four) are Independent Directors, including a Women Independent Director. The Chairman of the Company is also the Managing Director. Except the Chairman and Managing Director and Independent Directors, all other Non-Executive Directors are liable to retire by rotation.
- b. The Non-Executive Directors including Independent Directors on the Board are experienced,

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competent and highly renowned persons from the fields of industry, business management, finance & taxation, etc. They take active part at the Board and Committee Meetings by providing valuable guidance and expertise to the Management on various aspects of business, policy direction, governance, compliance etc. and play a critical role on strategic issues, which enhances the transparency and add value in the decision-making process of the Board of Directors which ultimately leads to the success of the Company.

- c. None of the Directors on the Board of Company holds directorship in more than 7 Public Companies.
- d. The Company has appointed one of its Independent Director, Mr. Jayavardhan Dhar Diwan in its Material Subsidiary - Pradeep Metals Inc. Houston, USA as a Director and in Step-Down Subsidiary - Dimensional Machine Works LLC, Houston, USA, as a Manager being an LLC, pursuant to the requirements of SEBI (LODR) (Amendment) Regulations, 2018.
- e. Necessary disclosures regarding the Committee positions in other Public Companies as on March 31, 2023 have been received from all the Directors.
- f. **Composition and category of Directors as on March 31, 2023 :**

Name of Director	DIN	Category	
Mr. Pradeep Goyal	00008370	Promoter	Chairman and Managing Director
Mrs. Neeru P. Goyal	05017190	Promoter	Non-Executive & Non-Independent Director
Mr. Abhinav Goyal	08786430	Promoter	Non-Executive & Non-Independent Director
Dr. Kewal Krishan Nohria	00060015	Non-Promoter	Non-Executive & Non-Independent Director
Late Mr. Suresh G. Vaidya*	00220956	Non-Promoter	Non-Executive & Independent Director
Mr. Jayavardhan Dhar Diwan	01565319	Non-Promoter	Non-Executive & Independent Director
Mr. Kartick Maheshwari	07969734	Non-Promoter	Non-Executive & Independent Director
Ms. Nandita Nagpal Vohra	06962408	Non-Promoter	Non-Executive & Independent Director

***Ceased to be Director w.e.f. April 12, 2023**

- g. **Details of the Equity Shares held by the Directors of Company as on March 31, 2023 are as follows:**

Name of Director	Category	Number of Equity Shares Held
Mr. Pradeep Goyal	Executive Director, Chairman and Managing Director	15,76,400
Mrs. Neeru P. Goyal	Non-Executive & Non-Independent Director	9,19,927
Dr. Kewal Krishan Nohria	Non-Executive & Non-Independent Director	6,74,211

- h. **Independent Directors:**

- On the basis of declarations received from all Independent Directors and checking the veracity of the same, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013 and that they are independent of the Management.
- In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as Independent Directors.
- As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Chairman and Managing Director of the Company serves as an Independent Director in two Listed Entities.

- The maximum tenure of Independent Directors is in compliance with the Act.
- A formal letter of appointment to Independent Directors, as provided in Companies Act, 2013, has been issued and disclosed on the website of the Company viz. <https://www.pradeepmetals.com/corporate-governance/>

i. Board Meetings:

- The Company holds regular Board Meetings. The detailed agenda, along with the explanatory notes, is circulated to the Directors well in advance. The Directors are free to suggest inclusion of any item(s) in the agenda at the Board Meeting.
- The Company held 4 (Four) Board Meetings during the Financial Year ended March 31, 2023.
- The gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the Meetings.
- During the Financial Year 2022-23, information as mentioned in Schedule II Part A of the SEBI Listing Regulations has been placed before the Board for its consideration.
- The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company www.pradeepmetals.com.
- In terms of Regulation 25 of the Listing Regulations and Schedule IV to the Companies Act, 2013, the Independent Directors met on February 03, 2023 without the presence of Non-Independent Directors or Members of Management. The Independent Directors inter-alia, reviewed the performance of individual Directors, Chairman and Managing Director of the Company and Board / Committees.
- The Board periodically reviews the compliance of all laws applicable to the Company.

j. Details of Board Meetings (BM) held during the year:

Dates of Board Meeting	12.05.2022	30.07.2022	10.11.2022	03.02.2023
Boards Strength	8	8	8	8
No. of Directors Present	7	8	8	8

The Company Secretary acted as a Secretary to all Board Meetings.

k. Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting, Number of other Board Directorship or Committees in which a Director is a Member or Chairperson:

Name of Director	Attendance in Board Meeting	Attendance in Last AGM	Other Directorship and Committee Membership / Chairmanship				Name of Listed Entities where person is Director and Category of Directorship
	Meetings held during the tenure / Meetings Attended		Board Director- ship* (including Chairman-ship)	Board Chairman-ship*	Committee Member-ship (incl. Chairman-ship)**	Committee Chairman-ship**	
Mr. Pradeep Goyal	4 / 4	Present	2	NIL	4	2	Uniphos Enterprises Ltd- Independent Director Hind Rectifiers Ltd- Chairman (Non Executive Independent Director)

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Mrs. Neeru P. Goyal	4 / 4	Present	NIL	NIL	NIL	NIL	NIL
Mr. Abhinav Goyal	4 / 4	Present	NIL	NIL	NIL	NIL	NIL
Dr. Kewal Krishan Nohria	4 / 4	Present	3	NIL	1	NIL	NIL
Late Mr. Suresh G. Vaidya#	4 / 4	Present	1	NIL	1	NIL	The Victoria Mills Limited-Independent Director
Mr. Jayavardhan Dhar Diwan	4 / 4	Present	NIL	NIL	NIL	NIL	NIL
Mr. Kartick Maheshwari	4 / 3	Present	NIL	NIL	NIL	NIL	NIL
Ms. Nandita Nagpal Vohra	4 / 4	Present	NIL	NIL	NIL	NIL	NIL

*Excludes Directorships / hairmanships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act.

**Only Audit and Stakeholders' Relationship Committee of Indian Public Limited Companies have been considered for the Committee positions.

None of the Directors is related to each other except Mr. Pradeep Goyal and Mrs. Neeru P. Goyal, who are related as husband-wife and Mr. Abhinav Goyal who is their son.

Ceased to be Director w.e.f. April 12, 2023.

I. A) The Board has identified the following skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively and those currently available with the Board:

- **Knowledge about the Company:** Understanding Company's business, policies and culture, including its mission, vision, values, goals, current strategic plan and knowledge about of the industry in which Company operates.
- **Management and Leadership:** General know-how of manufacturing, supply chain, talent management and succession planning.
- **Risk, Compliance and Governance:** Governance structure, major risks and threats and potential opportunities.
- **Behavioral Skills:** Attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders.
- **Strategy and Planning:** Strategic thinking and decision making, envisaging long-term trends, strategy experience in guiding and leading the Management of Company to make decisions in dynamic business environment.
- **Finance:** Proficiency in financial management and financial reporting process.
- **Technical / Professional Skills:** Specialized knowledge to assist the ongoing aspects of the business.

B) Directors who have such skills / expertise / competencies as identified by the Board:

Areas / Directors	About Company	Management & Leadership	Risk, Compliance & Governance	Behavioral Skills	Strategy & Planning	Financial reporting	Technical / Professional Skills
Mr. Pradeep Goyal	✓	✓	✓	✓	✓	✓	✓
Dr. Kewal Krishan Nohria	✓	✓	✓	✓	✓	✓	✓
Mrs. Neeru Goyal	✓	✓	✓	✓	✓	-	✓
Late Mr. Suresh Vaidya**	✓	✓	✓	✓	✓	✓	-
Mr. Jayavardhan Dhar Diwan	✓	✓	✓	✓	✓	✓	✓
Mr. Kartick Maheshwari	✓	✓	✓	✓	-	✓	✓
Ms. Nandita Nagpal Vohra	✓	✓	✓	✓	✓	✓	✓
Mr. Abhinav Goyal	✓	✓	-	✓	✓	✓	✓

*The Skills / Expertise / Competencies as identified by Board in the Meeting held on May 10, 2023.

** Ceased to be Director w.e.f. April 12, 2023

m. Details of Familiarization Program of the Independent Directors:

During the Financial Year 2022-23, the Company had organized two in-house Familiarization Programmes for the Independent Directors, details of which are as mentioned in the table. The details of the Programmes are also displayed on the Company's website vis. <https://www.pradeepmetals.com/corporategovernance/>:

Date of Programme	Area Covered	Duration
May 12, 2022	Update on Amendments in Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 pertaining to Related Party Transactions	2 Hours
February 03, 2023	Orientation on various measures being implemented to improve the efficiency in the production processes.	1 Hour

n. Information on Directors recommended for appointment / re-appointment at the Annual General Meeting:

Name of the Director	Dr. Kewal Krishan Nohria	Ms. Nandita Nagpal Vohra	Mr. Pradeep Goyal	Mr. Advait Kurlalkar
Director Identification Number	00060015	06962408	00008370	00808669
Date of Birth	10.01.1932	03.08.1973	20.11.1955	30.03.1969
Date of Appointment	25.09.2020 (Date of last re-appointment)	28.12.2018	17.12.2020 (Date of last re-appointment)	10.05.2023
Nationality	Indian	Indian	Indian	Indian

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Qualification	B.E. (Elect), D. Litt from BHU	B.Com, MBA	B. Tech (Metallurgy) from Indian Institute of Technology Kanpur	B.Tech from Indian Institute of Technology, Bombay and has a Masters Degree in Management Studies from Mumbai University
Expertise in specific functional areas	Technical and Management Expert with rich and prudent experience in Electrical and Electronics Industry	Corporate and Financial Advisory	Metallurgy and Engineering Industry	Business Strategy and Management Consulting and Coaching
No. of shares held in the Company	6,74,211	NIL	15,76,400	NIL
Directorships held in other Companies (excluding Foreign Companies)	NIL	NIL	<ul style="list-style-type: none"> • Uniphos Enterprises Limited • Hind Rectifiers Limited 	NIL
Chairperson/Members of the Committee of the Board of Directors of the Company	Member of Audit Committee, Stakeholder Relationship Committee	Member of Audit Committee and Chairman of Stakeholder Relationship Committee	NIL	NIL
Chairman/Member of the Committee of the Board of Directors of other Public Listed Companies	NIL	NIL	Uniphos Enterprises Limited: Chairman – Audit Committee and Stakeholders Relationship Committee Hind Rectifiers Limited: Member – Audit Committee and Stakeholders Relationship Committee	NIL
Relationship with other Directors	NIL	NIL	Husband of Mrs. Neeru P. Goyal, Director and father of Mr. Abhinav Goyal, Director and belongs to the Promoter Group	NIL
No. of Board Meetings attended/Number of Meetings held	4/4	4/4	4/4	N.A.

3. COMMITTEES OF THE BOARD

The Board has Three Committees as on March 31, 2023: Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Pursuant to the amendment in CSR Rules dated January 22, 2021 the constitution of CSR Committee is not applicable where the CSR amount to be spent by a Company doesn't exceed Rs. 50 Lakhs and the functions of such Committee shall be discharged by the Board of Directors.

Composition of Committees of Board:

Name of Director	Committees of the Board		
	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee
Mr. Pradeep Goyal	-	-	-
Mrs. Neeru P.Goyal	-	-	-
Mr. Abhinav Goyal	-	-	-
Dr.Kewal Krishan Nohria	Y	Y	Y
Late Mr. Suresh G. Vaidya*	Y	Y	Y
Mr. Jayavardhan Dhar Diwan	Y	Y (C)	Y**
Mr. Kartick Maheshwari	Y (C)	Y	-
Ms. Nandita Vohra**	Y	-	Y(C)

(C)= Chairman

*Ceased to be a Director w.e.f. April 12, 2023

**Appointed on the Committee on May 10, 2023

i. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's Financial Reporting process with a view to ensuring accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Extracts of the terms of reference:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Listed Entity;
- (iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- (iv) Reviewing with the Management the annual Financial Statements and Auditors' report thereon before submission to the Board for approval, w.r.t.:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by Management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any Related Party Transactions;
 - Modified opinion(s) in the draft audit report
- (v) Approval or any subsequent modification of transactions of the Company with Related Parties;
- (vi) Scrutiny of inter-corporate loans and investments;
- (vii) Evaluation of Internal Financial Controls and Risk Management Systems;
- (viii) Reviewing with the Management, performance of Statutory and Internal Auditors and adequacy of the Internal Control Systems;
- (ix) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (x) Reviewing the financial statements, in particular, the investments made by the unlisted Subsidiaries of the Company;
- (xi) Reviewing the utilization of loans and / or advances from / investment by the Holding Company in the Subsidiary exceeding Rs. 100.00 crores or 10% of the asset size of the Subsidiary, whichever is lower, including existing loans / advances / investments; and
- (xii) Reviewing the functioning of the whistle blower mechanism;

The Audit Committee mandatorily reviews the following:

- a. Management Discussion and Analysis of financial condition and results of operations;
- b. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
- c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- d. Internal Audit Reports relating to Internal Control Weaknesses;
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor, if any.
- f. Statement of deviations and Quarterly statement of deviation(s) including report of monitoring agency, if applicable submitted to stock exchange(s) in terms of Regulation 32(1).

Powers of the Audit Committee:

The Audit Committee has following powers:

- (i) To investigate any activity within its term of reference.
- (ii) To seek information from any employee.
- (iii) To obtain outside legal or other professional advice.
- (iv) To secure attendance of the outsiders with relevant expertise, if it's considered necessary.

Composition of Audit Committee (AC) and Attendance of Members:

Name of Director	Audit Committee Meetings (2022-23)			
	12.05.2022	30.07.2022	10.11.2022	03.02.2023
Mr. Kartick Maheshwari – Chairman	Absent	Present	Present	Present
Dr. Kewal Krishan Nohria	Present	Present	Present	Present
Late Mr. Suresh G. Vaidya*	Present	Present	Present	Present
Mr. Jayavardhan Dhar Diwan	Present	Present	Present	Present
Ms. Nandita Nagpal Vohra.	N.A.	Present	Present	Present

*Ceased to be a Director w.e.f. April 12, 2023

- Four Committee Meetings were held during the Financial Year and the gap between two Meetings did not exceed one hundred and twenty days.
- The Committee invites such of the Executives as it considers appropriate, representatives of the Statutory Auditors and Internal Auditors, to be present at its Meetings.
- The Company Secretary acted as the Secretary to all Audit Committee Meetings.
- All the Members of the Audit Committee, except Dr. Kewal Krishan Nohria, are Independent Directors.
- The Chairman of the Audit Committee had attended the previous Annual General Meeting of the Company.
- Mr. Abhishek Joshi, Company Secretary is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.

ii. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, read with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018. The Company considers its human resources as its invaluable assets. The policy on remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013.

Extracts of the terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Devise a policy on diversity of Board of Directors.
- Recommend to the Board the appointment or re-appointment of Directors and whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation.
- Periodical review of the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Carryout evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors. This shall include 'Formulation of criteria for evaluation of Independent Directors and the Board'. Additionally, the Committee may also oversee the performance review process of the KMP and Executive team of the Company.
- On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to the Executive Team or Key Managerial Personnel of the Company and all remuneration in whatever form payable to Senior Management.

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- (vii) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

Composition of Nomination & Remuneration Committee (NRC) and Attendance of Members:

Name of Director	Nomination & Remuneration Committee Meetings (2022-23)
	12.05.2022
Mr. Jayavardhan Dhar Diwan (Chairman)	Present
Dr. Kewal Krishan Nohria	Present
Late Mr. Suresh G. Vaidya*	Present
Mr. Kartick Maheshwari	Absent

* Ceased to be Director w.e.f. April 12, 2023

- The Company Secretary acted as the Secretary to all Nomination & Remuneration Committee Meeting.
- All the Members of the NRC, except Dr. Kewal Krishan Nohria, are Independent Directors.
- The Company does not have any Employee Stock Option Scheme.

Performance evaluation criteria for Independent Directors:

Performance evaluation of all Directors (including Independent Directors) was done on the basis of a structured questionnaire prepared in line with the Guidance Note issued by the SEBI vide its circular dated January 05, 2017.

Remuneration of Directors

• Remuneration to Chairman and Managing Director / Executive Director:

The remuneration to be paid to the Chairman and Managing Director / Whole-time Directors etc. are governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee makes such recommendations to the Board of Directors, as it may consider appropriate with regard to the remuneration to the Chairman and Managing Director, based on the performance of the Company. In view of the improved profitability of the Company during the year and as approved by the Members at the 39th Annual General Meeting of the Company, the Committee recommended and the Board approved payment of incentives of Rs. 55.00 Lakhs as incentive pay to the Chairman and Managing Director for the Financial Year 2022-23 as per the terms mentioned in the Agreement executed between Pradeep Metals Limited and Mr. Pradeep Goyal, Chairman and Managing Director.

• Remuneration to Non- Executive / Independent Directors:

The Non-Executive / Independent Directors receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees is such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

The Members of the Company in the Annual General Meeting of Company held on August 10, 2019 had accorded their consent for payment of commission to the Directors of the Company (other than the Directors who are either in whole time employment of the Company or belong to the Promoters' Group).

Accordingly, in view of the improved performance of the Company the total Commission of Rs. 6.65 Lakhs was paid to the Directors for the Financial Year 2022-23 except to the Promoter Directors of the Company. (Break up is mentioned in the below table)

An Independent Director is not eligible to get stock options and also shall not be eligible to participate in any share-based payment schemes of the Company.

Pecuniary relationship or transactions of Non-Executive Directors:

During the year under review, there was no pecuniary relationship and transactions of any Non-Executive Directors with the Company.

Details of remuneration to the Non-executive / Non-Independent / Independent Directors during the Financial Year 2022-23 are given below:

(Amount in Rs.)

Name	Sitting Fees	Commission	Total
Mrs. Neeru P.Goyal	1,00,000	NIL	1,00,000
Dr.Kewal Krishan Nohria	2,50,000	1,40,000	3,90,000
Late Mr. Suresh G. Vaidya*	2,50,000	1,40,000	3,90,000
Mr. Jayavardhan Dhar Diwan	2,25,000	1,40,000	3,65,000
Mr. Kartick Maheshwari	1,50,000	1,05,000	2,55,000
Ms. Nandita Nagpal Vohra	2,00,000	1,40,000	3,40,000
Mr. Abhinav Goyal	1,00,000	NIL	1,00,000
TOTAL	12,75,000	6,65,000	19,40,000

*Ceased to be a Director w.e.f. April 12, 2023

In Financial Year 2022-23, the Company did not advance any loans to any of the Directors.

Details of remuneration to the Chairman and Managing Director (CMD) during the Financial Year 2022-23 are given below:

(Amount in Rs.)

Name of the Director	Salary	Benefits	Incentive Pay	Total	Service Contract / Notice Period / Severance fees / Pension
Mr. Pradeep Goyal	1,23,48,387	9,89,277	55,00,000	1,88,37,664	Appointed for a period of 3 years from 17.12.2020 to 16.12.2023.

iii. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) is constituted in line with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Companies Act, 2013. The Board has constituted the Stakeholders Relationship Committee consisting of 3 Directors, of which 2 are Independent Directors and 1 is a Non-Executive Non-Independent Director, to look into the redressal of grievances of shareholders, including complaints for transfer, transmission, non-receipt of declared dividends / Annual Report etc. The Committee also looks into matters which can facilitate better investor's service and relations.

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Extracts of the terms of reference:

- a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of Shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, General Meetings etc.
- b. Review of measures taken for effective exercise of voting rights by Shareholders.
- c. Review of adherence to the service standards adopted by the Listed Entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d. Review of the various measures and initiatives taken by the Listed Entity for reducing the quantum of Unclaimed Dividends and ensuring timely receipt of Dividend Warrants / Annual Reports / Statutory Notices by the Shareholders of the Company.

Composition of Stakeholders Relationship Committee (SRC) and Attendance of Members:

Name of Director	Stakeholders Relationship Committee Meeting (2022-23)
	03.02.2023
Ms. Nandita Nagpal Vohra- Chairperson	Present
Dr. Kewal Krishan Nohria	Present
Late Mr. Suresh G. Vaidya*	Present

*Ceased to be a Director w.e.f. April 12, 2023

The Company Secretary acted as the Secretary to all SRC Meetings.

Compliance Officer:

Name of the Compliance Officer	Mr. Abhishek Joshi, Company Secretary
Contact Details	Pradeep Metals Limited R-205, MIDC, Rabale, Navi Mumbai - 400701. Tel. No (Off): +91-022-27691026 Extn: 116
E-mail ID	investors@pradeepmetals.com

Details of Complaints:

Number of Shareholders' Complaints received and resolved so far	Number not solved to the satisfaction of shareholders	Number of pending complaints
NIL	NIL	NIL

iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the amendments in the CSR Rules dated January 22, 2021, the constitution of CSR Committee is not applicable where the CSR amount to be spent by a Company doesn't exceed Rs. 50 Lakhs and the functions of such Committee shall be discharged by the Board of Directors.

The Company has formed an Internal Committee under Chief Financial Officer, where the Chief Operating Officer and the Company Secretary shall be responsible for implementation of the CSR projects / activities.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. During the year, the Company has spent Rs. 35.30 Lakhs against the annual requirement of Rs. 35.09 Lakhs for the year 2022-23 on CSR activities.

5. SUBSIDIARY COMPANIES

The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations as amended. The said policy has been uploaded on the website of the Company viz. <https://www.pradeepmetals.com/policies/>

6. GENERAL BODY MEETINGS

Details of Annual General Meetings held in the three Previous Years and Special Resolutions passed there at:

Financial Year	2019-2020	<ol style="list-style-type: none"> 1. To re-appoint a Director in place of Dr. Kewal Krishan Nohria (DIN- 00060015) as Non-Executive Non-Independent Director of the Company, who retires by rotation and who has attained the age of seventy-five years, being eligible, offers himself for re-appointment. 2. To re-appoint Mr. Pradeep Goyal as a Chairman and Managing Director of the Company (DIN: 00008370) for a period of 3 (Three) years.
Date and Time	September 25, 2020 at 3.00 p.m.	
Venue	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	
Financial Year	2020-2021	<ol style="list-style-type: none"> 1. To re-appoint Mr. Jayavardhan Dhar Diwan (DIN: 01565319) as an Independent Director for a Second Term of five years. 2. To Alter the Object Clause of the Memorandum of Association of the Company.
Date and Time	August 13, 2021 at 3.00 p.m.	
Venue	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	
Financial Year	2021-2022	<ol style="list-style-type: none"> 1. To re-appoint Mr. Kartick Maheshwari (DIN: 07969734) as an Independent Director for a Second Term of five years. 2. To ratify / approve the remuneration payable to Mr. Abhinav Goyal holding office or place of profit. 3. To ratify / approve the remuneration payable to Mrs. Neha Goyal holding office or place of profit. 4. To approve revision in remuneration of Mr. Pradeep Goyal, Chairman and Managing of the Company (DIN: 00008370).
Date and Time	July 30, 2022	
Venue	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	

Details of Special Resolutions put through Postal Ballot during last year along with voting pattern:

During the year under review, no resolution was passed through Postal Ballot.

Details of the Special Resolution proposed to be conducted through postal ballot:

The Company does not propose to pass any Resolution through postal ballot at the time of ensuing Annual General Meeting.

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The Procedure for postal Ballot:

Not Applicable.

7. MEANS OF COMMUNICATION

Quarterly / half yearly Results:

The quarterly, half yearly and yearly financial results of the Company are submitted to BSE Limited where the shares of the Company are listed, immediately after they are approved by the Board.

Publication of quarterly / half yearly results:

The quarterly, half yearly and annual results are published by the Company in the Marathi and English edition of Mumbai Lakshdeep and Financial Express respectively.

Website Disclosures:

The Company's website www.pradeepmetals.com contains all important public domain information and also the financial results of the Company.

Official News Releases on Website:

All financial and other vital official news releases are also communicated to the concerned Stock Exchange, besides being placed on the Company's website. The Company also publishes the Annual Report and shareholding pattern on its website <https://www.pradeepmetals.com/reports.html>

Presentation made to institutional investors or to the analysts:

The Company has not made any presentation to institutional investors or to the analysts during the year under review.

8. GENERAL SHAREHOLDER INFORMATION

1. Day, Date, Time & Venue of Annual General Meeting:

The 40th General Meeting of the Shareholders of Pradeep Metals Limited will be held through Video Conferencing / Other Audio-Visual Means on Friday, 4th day of August, 2023, at 11:30 a.m.

2. a. Financial Year of the Company: April 01 to March 31 every year.

b. Financial Calendar for FY 2023-24

Results for the quarter ending:	To be published:
Q1– June 30, 2023	On or before August 14, 2023
Q2– September 30, 2023	On or before November 14, 2023
Q3– December 31, 2023	On or before February 14, 2023
Q4– March 31, 2024	On or before May 30, 2024

3. Dividend Payment Date:

The Board had recommended 10% Final Dividend i.e. Re. 1/- per Share for each Equity share of Rs.10 each for the Financial Year 2022-23 on May 10, 2023 which, subject to approval of Shareholders, will be paid on or after Thursday, August 10, 2023.

4. Listing on Stock Exchange: The Equity Shares of the Company are listed on BSE Limited. The Company has paid Annual Listing Fee for the Financial Year 2022-23.

5. Stock Exchange Code (Equity):

Stock Exchange	Scrip Code
BSE Limited (BSE)	513532

6. Stock Market Price Data:

Table below gives the monthly high and low prices and volumes of trading of Equity Shares of the Company at BSE Limited (BSE) for the year 2022-23:

Month	High Rs.	Low Rs.	Volume
April 2022	108.75	88.50	1,41,603
May 2022	110.00	78.20	1,88,963
June 2022	99.60	75.25	70,436
July 2022	121.00	81.10	1,42,986
August 2022	127.00	102.00	1,26,655
September 2022	132.00	108.00	1,70,766
October 2022	129.00	105.65	1,05,366
November 2022	166.00	118.50	4,78,506
December 2022	175.00	126.00	3,04,258
January 2023	194.00	133.75	3,84,447
February 2023	209.00	156.00	3,47,902
March 2023	179.85	158.00	1,50,039

7. Company's Performance in comparison to broad-based indices (BSE Sensex):



8. Registrar and Share Transfer Agent:

Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083.
Contact No.: +91 - 022 - 49186000; (Fax) +91 - 022 - 4918 6060

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9. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, requests for effecting transfer / transmission / transposition of Securities are not processed unless the Securities are held in the dematerialised form with a Depository. Transfers of Equity Shares in dematerialised form are effected through the Depositories with no participation of the Company.

With effect from January 24, 2022, SEBI has mandated Listed Companies to issue Securities in demat mode only while processing any investor service requests such as Issue of duplicate Share Certificates, exchange / sub-division / splitting / consolidation of Securities, transmission / transposition of Securities. Pursuant to SEBI Circular dated January 25, 2022, RTA shall now issue a Letter of Confirmation in lieu of the Share Certificate while processing any of the aforesaid investor service request.

10. Distribution of Shareholding as on March 31, 2023:

A. Distribution of shares according to size of holding

No. of Equity Shares held	No of Shareholders	Share Amount (Rs)	% of Total Share Amount
1 to 5000	4058	45,68,220	2.65
5001 to 10000	316	26,37,360	1.53
10001 to 20000	197	29,14,820	1.69
20001 to 30000	57	14,80,160	0.86
30001 to 40000	31	11,25,990	0.65
40001 to 50000	42	19,56,470	1.13
50001 to 100000	60	42,98,730	2.49
100000 and above	57	15,37,18,250	89.01
Total	4,818	1,72,70,000	100.00

B. Pattern of Shareholding by categories of Shareholders

Category	No. of Shares	% of Total Shares
Promoters	1,26,90,783	73.4846
Indian Public	28,19,892	16.3283
Non- Resident Indian	1,24,588	0.7214
Overseas Bodies Corporate	2,30,000	1.3318
Directors and Relatives	6,75,817	3.9132
Clearing Members	371	0.0021
Hindu Undivided Family	1,10,886	0.6421
Bodies Corporate	2,47,719	1.4344
IEPF	3,69,944	2.1421
Total	1,72,70,000	100.00

11. Dematerialization of shares and liquidity:

Trading in Equity shares of the Company on the Stock Exchange is permitted only in dematerialized form as per notification issued by SEBI.

Following are the details of shares held in Demat and Physical form as on March 31, 2023:

Demat: 1,68,26,780 Equity Shares – 97.43% of Share Capital.

Physical: 4,43,220 Equity Shares – 2.57% of Share Capital.

The Company's shares are among the regularly traded shares on BSE Limited.

12. Outstanding GDR, ADR or warrants or any convertible instruments:

There are no outstanding instruments which are convertible into Equity Shares and resultantly, there is no impact on Equity Share Capital.

13. Plant Location:

Pradeep Metals Limited,
R-205, MIDC, Rabale,
Navi Mumbai - 400701.

14. Address for Correspondence:

i. Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai-400 083.
Contact No.: +91 - 022 - 4918 6000.
Email: rnt.helpdesk@linkintime.co.in

ii. Mr. Abhishek Joshi
Company Secretary & Compliance Officer
Pradeep Metals Limited,
R-205, MIDC, Rabale, Navi Mumbai- 400701.
Tel No.: +91-22-27691026
Fax: +91-22-27691123
Email: investors@pradeepmetals.com
Website: www.pradeepmetals.com
CIN: L99999MH1982PLC026191

15. Legal Proceedings:

As on March 31, 2023, there were two pending disputes: one in respect of bonus payment to existing and retired workers for Financial Year 2010-2011 and another w.r.t. NMMC Cess. (For details see 36(A) of Standalone Financial Statement).

With regards to bonus, the claims made by the ex-employees whose services have been terminated in earlier years are not acknowledged as debt. The matters are frivolous and are disputed under various forums. However, in the opinion of the management, these claims are not tenable. The possibility of any liability devolving on the Company is remote and hence, no disclosure as contingent liability is considered necessary.

16. Unpaid / Unclaimed Dividend:

Pursuant to IEPF (uploading of Information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of the date of last AGM viz. July 30, 2022 on the website of the Company and can be accessed at <https://www.pradeepmetals.com/unpaid-and-unclaimed-dividend/> and also on the website of the Ministry of Corporate Affairs.

17. Credit Ratings:

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by the rating agency as given below:

Rating Agency	CRISIL Limited
Date of Rating	October 06, 2022
Total Bank Loan facilities rated	Rs. 10,200 Lakhs
Long-term Rating	CRISIL BBB / Stable (Upgraded from 'CRISIL BBB- / Positive')
Short-term Rating	CRISIL A3+ (Upgraded from 'CRISIL A3')

18. Other Disclosures.
a. Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:

The particulars of the transactions between the Company and related parties, as per the Accounting Standards, the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements)

(Amendment) Regulations, 2018 etc., are mentioned separately in Notes to Accounts – forming part of the Annual Accounts.

The Company has not entered into any material transactions with its Promoters or Directors or Management or relatives etc. (other than with Wholly Owned Subsidiary Company Pradeep Metals Limited, Inc., Houston, USA). Further, there are no transactions which have potential conflict with the interest of the Company. All transactions with the Related Parties were in the ordinary course of business and at arm's length basis. The details thereof are mentioned in Form No. AOC-2 annexed to Director's Report.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years:

Financial Year 2020-21

There was no non-compliance during Financial Year 2020-21.

Financial Year 2021-22

There was no non-compliance during Financial Year 2021-22

Financial Year 2022-23

There was no non-compliance during Financial Year 2022-23

c. Whistle-Blower Policy and confirmation that no person has been denied access to the Audit Committee:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and Employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy.

The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provisions for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower policy has been hosted on the website of the Company.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with the mandatory requirements of Regulation 27 of the Listing Regulations, which are detailed in the Annual Report. The Company has obtained a certificate from the Auditors, certifying its compliance with the provisions of SEBI Listing Regulations, 2015. This certificate is attached to the Annual Report for Financial Year 2022-23.

e. Web link where policy for determining 'material' subsidiaries is disclosed:

The Company's investment in Wholly Owned Subsidiary is falling within the criteria prescribed in Regulation 23 of Listing Regulations (including any statutory enactments / amendments thereof) in respect of material subsidiary. Below is the web link for policy adopted by the Board for determining the material subsidiaries: <https://www.pradeepmetals.com/policies/>

f. Web link where policy on dealing with Related Party Transactions:

Below is the web link for policy adopted by the Board on dealing with Related Party transactions: <https://www.pradeepmetals.com/policies/>

g. Commodity price risk or Foreign Exchange risk and hedging activities:

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company manages currency risk as per trends and experiences. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Company does not enter into any derivative instruments for trading or speculative purposes.

Please refer to Notes 45 and 46 pertaining to Disclosure in respect of Foreign currency exposures that are not hedged by derivative instruments respectively of the Standalone Financial Statement in this regard.

The Commodity price risk is mitigated through following proper Costing Model and Price fixation matrix ensuring that raw materials are procured as per Production planning as well as contracts with Suppliers which may contain cap on prices for duration of the contract.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable.

i. Company has received a certificate from M/s. Shweta Gokarn & Co, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority:

Copy of the said Certificate is annexed herewith as a part of the Report.

j. Whether the board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year:

There were no such instances.

k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part:

Total fees paid to the Statutory Auditors on Consolidated Financial basis is Rs. 21.53 Lakhs for Financial Year 2022-23.

l. Disclosures in relation to Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013:

No. of Complaints filed during the Financial Year	No. of Complaints disposed of during the Financial Year	No. of Complaints pending as on end of the Financial Year
0	0	0

m. Disclosure of the discretionary requirements as specified in Part E of Schedule II:

i. The Board

The Chairman of the Company is an Executive Director and his office with required facilities is provided and maintained by the Company.

ii. Shareholder Rights

As the Company's quarterly, half-yearly and yearly results are published in an English newspaper and a Marathi newspaper and also displayed on the website of the Company www.pradeepmetals.com and disseminated to the Stock Exchange (BSE Limited) wherein the Shares of the Company are listed, hence separately not circulated to the Shareholders.

iii. Modified opinion(s) in audit report

There are no modified opinions contained in the Audit report.

iv. Separate posts of Chairperson and Chief Executive Officer

Though not applicable, the Company will consider segregation of the post of the Chairman & the Chief Executive Officer of the Company at appropriate time. Presently, Mr. Pradeep Goyal is the Chairman and Managing Director of the Company.

v. Reporting of Internal Auditor

The Internal Auditors report directly to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

- vi. **The compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015**

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

- vii. **Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, M/s. Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai (Certificate of Practice Number: 11001) has conducted Secretarial Audit of the Company. The Secretarial Auditors' Report for the Financial Year ended March 31, 2023 forms part of the Annual Report.

- viii. **Reconciliation of share capital audit report**

As stipulated by SEBI, a qualified Practicing Company Secretary namely Ms. Shweta Gokarn carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the reports thereon are submitted to the Stock Exchanges where the Company's Shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of Shares in physical form.

- ix. **Compliance with Secretarial Standard**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the provisions of all the applicable Secretarial Standards.

- x. **Disclosure with respect to Loans and advances in the nature of loans to firms / companies in which Directors are interested:**

No Loans and Advances have been made in the nature of loans to any Firms / Companies in which Directors are interested.

- xi. **Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account:**

The Company does not have any Shares which are required to be deposited to Demat Suspense Account / Unclaimed Suspense Account.

DECLARATION BY THE CHAIRMAN AND MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH PARA (D) OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Pursuant to the provisions of Regulation 34(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Board Members and Senior Management Personnel of Pradeep Metals Limited have affirmed Compliance with the Code of Conduct for the period from April 01, 2022 to March 31, 2023.

For and on behalf of the Board of Directors
Pradeep Metals Limited

Place: Navi Mumbai
Date: May 10, 2023

Sd/-
Pradeep Goyal
Chairman and Managing Director
(DIN: 00008370)

CEO / CFO CERTIFICATION

The Directors
Pradeep Metals Limited
R-205, MIDC, Rabale,
Navi Mumbai – 400701

Ref: Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that:

- A. We have reviewed the Audited Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2023 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
1. There have been no significant changes in internal control over financial reporting during the Financial Year ended March 31, 2023;
 2. There have been no significant changes in accounting policies during the Financial Year; and
 3. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Navi Mumbai
Date: May 10, 2023

sd/-
Pradeep Goyal
Chairman & Managing Director
DIN: 00008370

sd/-
Kavita Ojha
Chief Financial Officer
PAN: ATTPC7818E

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CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Members

Pradeep Metals Limited

R 205, TTC INDL Area MIDC Rabale
Post Ghansoli Navi Mumbai 400701.

I, Shweta Gokarn, Proprietor of M/s. Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of M/s. **Pradeep Metals Limited** (CIN: L99999MH1982PLC026191) having its registered office at R 205, TTC INDL Area MIDC Rabale Post Ghansoli, Navi Mumbai – 400701 (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time.

In my opinion and to the best of my information and upon verifications of the disclosures as submitted by the Directors and Directors Identification Number (DIN) status at the portal www.mca.gov.in and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, Mumbai or any such other Statutory Authority: -

Sr. No.	Name of the Directors	DIN	Date of Appointment / Re-appointment in the Company
1.	Mr. Pradeep Vedprakash Goyal	00008370	17 / 12 / 2020
2.	Mr. Kewal Krishan Nohria	00060015	25 / 09 / 2020
3.	Mr. Abhinav Goyal	08786430	30 / 07 / 2022
4.	*Mr. Suresh Gopal Vaidya	00220956	10 / 08 / 2019
5.	Mr. Jayavardhan Dhar Diwan	01565319	13 / 05 / 2022
6.	Mrs. Neeru Pradeep Goyal	05017190	13 / 08 / 2021
7.	Mrs. Nandita Nagpal Vohra	06962408	28 / 12 / 2018
8.	Mr. Kartick Maheshwari	07969734	10 / 11 / 2022

**Mr. Suresh Gopal Vaidya has ceased to be a Director of the Company w.e.f. April 12, 2023 due to his demise.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Shweta Gokarn & Co.
Company Secretaries
Peer Review Regn.: 1693 / 2022

Place: Navi Mumbai
Date: May 9, 2023

Sd/-
Ms. Shweta Gokarn
ACS: 30393
CP No: 11001
UDIN:A030393E000273823

INDEPENDENT AUDITORS' REPORT

To,
**The Members of
Pradeep Metals Limited**
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pradeep Metals Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (together referred to as standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Reference is invited to

Note 5 of the standalone financial statements. 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 a provision for impairment of Rs.135 Lakhs for the year ended March 31, 2023 (aggregate impairment provision upto March 31, 2023 is Rs.810 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.

Our opinion is not modified in respect of above matter. The matter covered above, was also reported under 'Emphasis of Matter' paragraph in our audit report for the year ended March 31, 2022 and our opinion was not modified in previous year also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter & how our audit addressed the key audit matter**1. Investments in WOS and loans granted to WOS**

Refer note 5 of standalone financial statements in respect of investment made and loan granted to its WOS and Emphasis of Matter paragraph above. The Company has carried out impairment assessment for the recoverability of loans & investments into WOS as at March 31, 2023 and has made provision for impairment amounting to Rs. 135 Lakhs for the year ended March 31, 2023 (aggregate impairment provision upto March 31, 2023 is Rs.810 Lakhs) for the investment in WOS. Accordingly, we determined this to be a key audit matter.

As part of our audit procedures, we have evaluated the assumptions and estimates used by the management while conducting the impairment test. We have discussed the future business outlook, the steps taken by the management to improve the performance of WOS and SDS and the budgets presented to the Board of Directors. In respect of loan, we have verified the balance confirmation and compliance with repayment schedule.

Based on the above and on the basis of discussion with management, the loan to WOS is considered fully recoverable and carrying value of the investment net of impairment is in order.

2. Inventory valuation (WIP)

The nature of items produced by the Company are customized and are unique (i.e. non standardized items), this poses a challenge of inventory valuation especially in respect of in work in progress (WIP). As at March 31, 2023, WIP value is Rs. 2,143.50 Lakhs. The Company has multiple control points which include detailed recording of movement of WIP items in ERP System, periodical physical verification and ascertainment of stage of WIP by the management.

As part of our audit procedures, we have performed test verification of closing inventory and also performed analytical test to validate the closing stock quantities and values of WIP. Our analytical test included (a) verification of the overall input-output ratio and inquiring the reasons for difference between standard and actual consumption & yield, (b) verifying the accuracy of the closing stock valuation work sheets (c) basis of ascertainment of stage of completion and (d) assessing the accuracy and completeness of the information used by management in comparing the cost of WIP inventory with net realizable value. The deviations were not significant and satisfactory explanation was provided to us.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2023 (except in case of one Independent director of the Company from whom representation could not be obtained due to his demise on April 12, 2023) taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors for the year ended March 31, 2023 is in accordance with the provisions of section 197 read with Schedule V of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 36(A), 36(B) and 36(C) to the standalone financial statements
 - ii. The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.
 - iii. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 62 to the standalone financial statements);
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 62 to the standalone financial statements);
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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- v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
 - (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial Year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W/W100149

Bhavin Kapadia

Partner

Membership No.: 118991

UDIN:

Place: Mumbai

Date: May 10, 2023

UDIN: 23118991BGYZXW8913

Annexure A to Independent Auditors' Report for the year ended March 31, 2023

[Referred to in 'Other legal and regulatory requirements' of our report of even date]

- 1) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE) and relevant details of right to use assets.
 (B) The Company has maintained proper records showing full particulars, including quantitative details and situation of intangible assets.
- b) The Company has physically verified all the property, plant and equipment (except dies) and right to use assets during the year. Further, as per the phased program, dies are physically verified once in 3 years and are verified in the previous Financial Year. In our opinion, frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company which have been verified from registered sale deed provided to us in original and from photocopies of the agreements wherever the original documents are deposited with banks against credit facilities granted by them for which we have received confirmation from the bank.
- d) None of the items of Property, Plant and Equipment (including Right of Use assets) or intangible assets have been revalued during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as on March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 2) a) The inventory (other than lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, confirmations were obtained by the Company during the year. In our opinion, the frequency, coverage and procedure of such verification carried out by the management is reasonable and appropriate. As per the information and explanation given to us, discrepancies noticed on physical verification were not material (i.e. less than 10% in the aggregate for each class of inventory) and have been properly dealt with in the books of accounts.
- b) The Company has been sanctioned working capital limits of more than Rs. 5 crores from bank on the basis of security of current assets. There are no borrowings from financial institution. According to the information and explanations given to us and on the basis of our examination of the records of the Company, discrepancies in quarterly returns or statements of current assets filed by the Company to bank with books of account which are not material are as mentioned below:

(Rs. in Lakhs)

Quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 30, 2022	Union Bank of India	Inventory and trade receivable	10,522	10,573	(51)	Amount of difference is upto 0.13% (on average basis) which is mainly due to material dispatched to customers but revenue is recognised in the subsequent quarters.
September 30, 2022	Union Bank of India	Inventory and trade receivables	10,628	10,578	50	
December 31, 2022	Union Bank of India	Inventory and trade receivables	10,661	10,608	53	
March 31, 2023	Union Bank of India	Inventory and trade receivables	9,854	9,854	Nil	

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- 3) a) The Company has granted unsecured loans and stood guarantee for loan taken by the wholly owned subsidiary (WOS) as given below:

(Rs. in Lakhs)

Particulars	Unsecured Loans	Corporate Guarantee *
Aggregate amount during the current year	Nil	Nil
Balance outstanding as on March 31, 2023*	2,334	1,067

* Loans and guaranteed given in USD are converted in INR as at March 31, 2023.

Based on the information and explanation given to us, apart from above, the Company has not made any other investments, provided any guarantee or security or granted any loans or advances in the nature of loans.

- b) In our opinion, the investments made, guarantees provided and the terms and conditions of the loans granted are not, prima facie, prejudicial to the Company's interest. The Company has not given any security for the loan taken by WOS from banks.
- c) In respect of loan granted, during the year repayment of principal amount was not due as per revised repayment schedule and payment of interest is regular as stipulated.
- d) There are no overdue amounts in respect of the loan granted to WOS. Hence reporting under clause 3(iii)(d) and (e) is not applicable.
- e) Based on the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause 3(iii)(f) is not applicable.
- 4) According to the information and explanation given to us, in respect of corporate guarantee, loan given and investment made in WOS, the Company has complied with the provisions of Section 185 and Section 186 of the Act as applicable. The Company has not given any security for loan taken by WOS.
- 5) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directive issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 6) As per information and explanation given to us, maintenance of cost records in respect of closed dies forging and processing is prescribed for the Company pursuant to the Rules made by the Central Government under section 148(1) of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, goods and services tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no arrears of outstanding statutory dues as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and services

tax, which have not been deposited with appropriate authorities on account of any dispute except demands raised for income tax as given below:

The Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	F.Y. 2019-20	28.56

- 8) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that
 - (a) The Company has not defaulted in repayment of loans and payment of interest thereon to any lender.
 - (b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
 - (c) Term loans raised during the year by the Company are applied for the purpose for which those are raised.
 - (d) The funds raised on short term basis have not been utilised for long term purposes. Hence further reporting under clause 3(ix)(d) is not applicable.
 - (e) During the year, the Company has not availed any funds from any entity or person on account of or to meet the obligation of its subsidiaries. The Company does not have any associates and joint ventures. Hence further reporting under clause 3(ix)(e) is not applicable.
 - (f) The Company has not raised loans during the year on the pledge of securities held in subsidiaries. The Company does not have any associate companies or joint ventures.
- 10)
 - (a) During the year, the Company has not raised money by way of initial public offer or further public offer [including debt instruments]. Hence further reporting under clause 3(x)(a) is not applicable.
 - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Hence further reporting under clause 3(x)(b) is not applicable.
- 11)
 - (a) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) As informed to us, no whistle blower complaints have been received by the Company during the year.
- 12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- 14)
 - (a) In our opinion, the Company has an internal audit system which commensurate with the size and nature of its business.

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- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore, clause (xv) of paragraph 3 the Order is not applicable.
- 16) In our opinion and according to the information and explanations given to us,
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year.
- 18) There has been no resignation of the statutory auditors during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention which causes us to believe that material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) During the year there are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
- 21) The Company has only foreign subsidiaries hence reporting under clause 3(xxi) is not applicable.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W/W100149

Bhavin Kapadia

Partner

Membership No.: 118991

UDIN:

Place: Mumbai

Date: May 10, 2023

UDIN: 23118991BGYZXW8913

Annexure B to Independent Auditors' Report of even date on the standalone financial statements of Pradeep Metals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date.

In respect of inventory (recording of WIP and allocation of overheads) internal financial controls needs to be further strengthened to commensurate with the size of the Company and nature of its business. This matter was reported in earlier year also.

In our opinion, read with our comment with respect to inventories above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 'ICAI'. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statement for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

UDIN:

Place: Mumbai

Date: May 10, 2023

UDIN: 23118991BGYZXW8913

Standalone Balance Sheet as at March 31, 2023

(Rs. in Lakhs)

Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4.1	5,176.56	4,835.65
(b) Right of use assets	4.2	42.79	72.73
(c) Capital work-in-progress	4.6	450.49	174.94
(d) Other Intangible assets	4.1	232.73	276.09
(e) Financial assets			
(i) Investments	5	532.53	667.53
(ii) Loans	6	2,333.63	2,152.51
(iii) Other financial assets	7	99.11	48.13
(f) Income tax assets (net)		168.69	89.09
(g) Other assets	8	706.71	431.13
		9,743.24	8,747.80
II. Current assets			
(a) Inventories	9	3,932.96	3,432.17
(b) Financial assets			
(i) Trade receivables	10	6,152.38	6,022.54
(ii) Cash and cash equivalents	11	1.87	1.55
(iii) Bank balances other than (ii) above	11	54.56	48.70
(iv) Loans	12	5.82	7.52
(v) Other financial assets	13	249.57	328.36
(c) Other assets	14	402.01	452.07
		10,799.18	10,292.90
TOTAL ASSETS		20,542.42	19,040.70
EQUITY AND LIABILITIES			
III. Equity			
(a) Equity share capital	15	1,727.00	1,727.00
(b) Other equity	16	8,901.47	7,514.26
TOTAL EQUITY		10,628.47	9,241.26
LIABILITIES			
IV. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	39	-	5.93
(ib) Term loan	17	1,197.67	1,454.97
(b) Provisions	18	77.68	96.66
(c) Deferred tax liabilities (net)	19.4	343.30	363.37
		1,618.65	1,920.93
V. Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	39	5.93	33.56
(ib) Term loan	20	4,867.42	4,893.65
(ii) Trade payable	21		
(A) Due to micro and small enterprises		61.48	29.89
(B) Due other than to micro & small enterprises		2,320.11	2,106.47
(iii) Other financial liabilities	22	920.33	725.04
(b) Other liabilities	23	55.34	41.59
(c) Provisions	24	64.70	48.32
		8,295.30	7,878.52
TOTAL LIABILITIES		9,913.95	9,799.45
TOTAL EQUITY & LIABILITIES		20,542.42	19,040.70
Significant accounting policies & other notes	1 to 65		

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**
Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

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Statement of Profit and Loss for the year ended on March 31, 2023

(Rs. in Lakhs except share and per share data)

Particulars	Note no.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	25	24,587.62	20,717.81
Other income	26	424.42	565.26
Total Income		25,012.04	21,283.07
EXPENSES			
Cost of material consumed	27	11,842.74	10,475.46
Changes in inventories of work-in-progress, finished goods and scrap	28	(302.74)	(453.21)
Manufacturing expenses	29	5,305.84	4,349.26
Employee benefit expenses	30	2,773.44	2,436.94
Finance costs	31	543.48	443.05
Depreciation and amortization expense	4.3	619.07	583.11
Other expenses	32	1,581.04	1,377.90
Total Expenses		22,362.87	19,212.51
Profit before exceptional items and tax		2,649.18	2,070.56
Less: Exceptional items	33	135.00	135.00
Profit before tax		2,514.18	1,935.56
Tax expense			
- Current tax		698.24	552.65
- Deferred tax		(20.08)	(23.33)
- Income tax of earlier years (net)		(29.11)	(17.71)
		649.05	511.61
Net Profit for the year (A)		1,865.13	1,423.95
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(losses) on defined benefit plans	34	(61.66)	4.84
(ii) Income tax relating to items that will not be reclassified to profit or loss	34	15.52	(1.22)
Other Comprehensive Income (B)		(46.14)	3.62
Total Comprehensive Income (A+B)		1,818.98	1,427.57
Earnings per equity share	35		
(a) Basic (Face value of Rs. 10 each)		10.80	8.25
(b) Diluted (Face value of Rs. 10 each)		10.80	8.25
Significant accounting policies & other notes	1 to 65		

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

Standalone Cash Flow Statement for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation		2,514.18		1,935.56
Adjustments for:				
Depreciation and amortization (net)	619.07		583.11	
Allowance for doubtful debt utilised	(0.35)		(3.42)	
Allowance for doubtful advance/ (utilised)	1.20		(0.70)	
Provision for Doubtful Sales Tax Receivable	-		4.99	
Provision for slow moving / non moving inventories	6.85		46.25	
Provision for contingency	-		10.10	
Amount no longer payable written back	(3.19)		(10.27)	
Unrealised foreign exchange gain	105.18		(182.27)	
Loss on sale/discard of fixed asset (net)	40.67		39.13	
Impairment of investment in WOS	135.00		135.00	
Interest expenses	543.48		443.05	
Interest income	(153.30)		(105.12)	
		1,294.62		959.85
Operating profit before changes in assets and liabilities		3,808.79		2,895.42
Movements in working capital: [Current and Non-current]				
Increase in other assets and other financial assets	(185.76)		(205.63)	
Increase in inventories	(507.64)		(846.21)	
Increase in trade receivable	(123.42)		(1,293.59)	
Increase in trade payable, other liabilities, provisions and other financial liabilities	367.18	(449.65)	476.66	(1,868.77)
		3,359.14		1,026.65
Adjustment for:				
Direct taxes paid (net of refund)		(733.05)		(573.98)
Net cash generated from operating activities...(A)		2,626.10		452.68
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, plant & equipment (tangible/intangible) (Including capital advances and work in progress)	(1,496.45)		(669.15)	
Sale of Property, plant & equipment	19.78		16.06	
Increase in other bank balances and non-current assets [Other than cash and cash equivalent]	(5.86)		(20.42)	
Proceeds from sale of Investment	-		0.05	
Loan to wholly owned subsidiary	-		(254.91)	
Interest received	138.95		114.19	
	(1,343.58)		(814.18)	
Adjustment for:				
Less: Direct taxes paid [including tax deducted at source]	(0.17)		(0.06)	
Net cash used in investing activities...(B)		(1,343.75)		(814.23)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowing	338.22		317.88	
Repayment of long term borrowing	(640.28)		(1,261.06)	
Payment of lease liabilities	(36.00)		(36.00)	
Increase in working capital loan (Net)	19.57		1,931.59	
Dividend paid	(429.12)		(177.14)	
Interest paid	(534.42)		(414.97)	
Net cash generated/(used) from financing activities...(C)		(1,282.03)		360.28
Net increase/(decrease) in cash and cash equivalents...(A + B + C)		0.32		(1.27)
Cash and cash equivalents at the beginning of the year	1.55		2.82	
Cash and cash equivalents at the end of the year	1.87		1.55	
Net increase/(decrease) in cash and cash equivalents		0.32		(1.27)
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 N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

Statement of changes in equity for the year ended March 31, 2023

Particulars	Equity share capital	Reserves and surplus (A)		Comprehensive Income (B)	Total other equity (A+B)
		Security Premium	General reserves		
For the year ended March 31, 2022					
Balance at April 01, 2021	1,727.00	515.98	211.60	38.61	6,259.36
Profit for the year	-	-	-	-	1,423.95
Remeasurements gains on defined benefit plan	-	-	-	3.62	3.62
Transaction with owners in their capacity as owners					
Final dividend (F.Y. 2020-21)	-	-	-	(172.70)	(172.70)
Balance as at March 31, 2022	1,727.00	515.98	211.60	(130.47)	7,514.25
For the year ended March 31, 2023					
Balance at April 01, 2022	1,727.00	515.98	211.60	(130.47)	7,514.25
Profit for the year	-	-	-	-	1,865.13
Remeasurements loss on defined benefit plan	-	-	-	(46.14)	(46.14)
Transaction with owners in their capacity as owners					
Final dividend (F.Y. 2021-22)	-	-	-	(259.05)	(259.05)
Interim dividend (FY 2022-23)	-	-	-	(172.70)	(172.70)
Balance as at March 31, 2023	1,727.00	515.98	211.60	(608.36)	8,901.49
Significant accounting policies & other notes			1 to 65		

i) **Securities premium**

Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

ii) **General Reserve**

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iii) **Retained earnings**

Retained earnings represent the accumulated earnings net of losses, if any, made by the Company over the years.

iv) **Other comprehensive Income - Defined benefit obligation**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

1. Background

Pradeep Metals Limited (“the Company”) is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company’s shares are listed on Bombay Stock Exchange in India. The Company is engaged in the manufacturing and selling of forged and machined components for various sectors. The Company caters to both domestic and international markets. The registered office and manufacturing facility of the Company is located at Navi Mumbai. The Company’s CIN is L99999MH1982PLC026191.

The financial statements were authorized for issue in accordance with a resolution of the Directors on 10th May 2023.

2. Basis of preparation

2.1. Statement of compliance

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read with the Companies (Indian Accounting Standards) Rules, 2015 with relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Basis of preparation and presentation

These standalone financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

- i. Certain financial assets and liabilities (including derivative instruments);
- ii. Defined benefit plans – plan assets;

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

2.3. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are prepared in Indian Rupees which is also the Company’s functional currency. All amounts are rounded to the nearest rupees in Lakhs.

2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

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. 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. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortization of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated

that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortization and decommissioning costs are critical to the Company's financial position and performance.

- ii) Recognition of "Right of use" of assets as per the requirement of Ind AS 116 (Refer note 3.13, 4.2, 39)

- iii) 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 (Cash Generating Unit) CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involve use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- iv) 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 judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

- v) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

- vi) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Any increase

in probability of future taxable profit will result into recognition of unrecognized deferred tax assets.

vii) Measurement of defined benefit plan & other long-term benefits

The cost of the defined benefit gratuity plan / other long-term benefits and the present value of the gratuity obligation / other long-term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long-term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on management policy for increase in basic salary.

viii) Impairment of investment in subsidiaries

In the opinion of the management, investments in subsidiaries are considered long term and strategic in nature and in view of future business growth / asset base, the value of long-term investments are considered good. Impairment is made in the value of investment of subsidiary based on the assessment carried out by the Company.

ix) 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 Discounted Cash Flow (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.

x) 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.

3. Significant Accounting Policies

3.1. Presentation and disclosure of standalone financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months, however for the purpose of current/ non- current classification of assets and liabilities, period of 12 months have been considered as its normal operating cycle.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties, plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013, except for the plant and machinery as per the table given below, for which on the basis of internal technical assessment made by the management, the depreciation has been provided considering the useful life of the plant.

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The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Particulars	Useful life
Machinery for heavy production/press/cranes etc.	15 Years
Dies	10 Years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Second hand CNC machines	10 Years
Individual assets whose cost does not exceed five thousand rupees	Nil Depreciated fully in the year of capitalisation

The useful lives of the property, plant and equipment not covered in table above and are in accordance with schedule II are as follows:

Particulars	Useful life
Factory Building on leasehold land (period lower than the lease period)	30 Years
Electrical Installation	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture & fittings	10 Years
Motor Vehicles	8 Years
Windmill	22 Years

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each Financial Year end and adjusted prospectively.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". Cost of assets under construction / acquisition / not put to use at the Balance sheet date are disclosed under "Capital work-in-progress"

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognized.

3.3. Intangible assets and amortization

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets

are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible Asset	Estimated useful life
ERP software	10 Years
Other Software	3 Years
Microwave Composite Heating Furnace project (SDF Technology)	7 years

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.4. Research and development costs

Research costs are expensed as incurred. Development expenditures are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.5. Inventories

Inventories consists of raw materials, consumables, dies, work-in-progress and scrap. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The cost of finished goods also includes excise duty wherever applicable.

Dies are valued at cost or net realizable value whichever is less. Cost includes material cost and labour cost. Costs are determined on specific identification basis.

Scrap is valued at net realizable value.

3.6. Revenue recognition

The policy for Revenue as presented in the Company's financial statements are as under:

- o The Company recognizes revenue when the amount can be reliably measured, to the extent it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below
- o Sale of goods is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products are recorded at the transaction price allocated to that performance obligation, net of Goods and Service Tax (GST), returns and allowances, trade, volume & other discounts.

Accumulated experience is used to estimate and provide for turnover discounts, expected cash discounts, other eligible discounts, expected returns and incentives. No element of financing is deemed present as the sales are made with normal credit terms.

- o Revenue from export sales are recognized upon transfer of control of promised products to customers usually on the basis of dates of shipping bills or bill of lading depending on the shipment terms.
- o Sale of services is recognized upon rendering of services and revenue from fixed price, fixed time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized over the period of contract on pro-rata basis.
- o Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.
- o Export incentives / benefits are recognized as income in Statement of Profit and Loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods/sale of license in open market.
- o Revenues from die design and preparation charges are recognized as per the terms of the contract as and when services are rendered.
- Other income
- o Income from guarantee commission is recognized as a percentage of guarantee given on annual basis.
- o Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders/board of directors approve the dividend as applicable.
- o Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

3.7. Investment in subsidiaries

The Company's investment in instruments of subsidiaries are accounted for at cost less accumulated impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted from the cost of the asset and the net amount of the asset is capitalized.

3.9. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognized in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognized in statement of profit and loss or other comprehensive income is also recognized in statement of profit or loss or other comprehensive income respectively).

3.10. Employee benefits

- Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long-term benefits

a. Defined contribution plan

The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b. Post-employment benefit and other long-term benefits

The Company has defined benefit plans comprising of gratuity and other long-term benefits

in the form of leave benefits and long service rewards. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long-term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Provision for casual leave is made on arithmetic basis.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognized under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognized when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

3.11. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

3.12. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.13. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.14. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

3.15.Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.16.Cash flow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.17.Provisions, contingent liabilities, contingent assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.18.Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the equity shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive.

3.19.Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

3.19.1.Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not applicable if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits

associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

3.19.2.Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are

recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any

previously recognized gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

3.20. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated the amendment and there is no impact on its standalone financial statements.



4 Property, plant & equipment and intangible assets
4.1 As on March 31, 2023

(Rs. in Lakhs)

Particulars	Gross block			Depreciation/amortization			Net block	
	As at April 01, 2022	Additions	Deductions	As at March 31, 2023	As at April 01, 2022	For the year	On March 31, 2023	As at March 31, 2023
Property, plant & equipment (Tangible assets)								
Freehold land	56.70	99.22	-	155.92	-	-	-	155.92
Factory buildings (on leasehold land)	1,769.15	239.75	-	2,008.90	320.80	79.59	400.39	1,608.51
Plant and machinery (P & M)	2,759.84	451.93	185.51	3,026.27	941.09	257.76	1,048.48	1,977.79
Microwave Machinery (R&D)	149.10	-	-	149.10	149.10	-	149.10	-
Windmill	1,246.22	-	-	1,246.22	335.84	56.11	391.95	854.27
Electrical installation	102.06	25.21	-	127.27	43.16	10.63	53.79	73.48
Computers	51.60	9.76	0.18	61.18	20.18	12.14	32.15	29.03
Furniture and fixtures	74.19	14.59	-	88.78	32.48	7.70	40.18	48.60
Office equipment	13.50	15.20	0.81	27.89	2.75	4.38	6.36	21.53
Vehicles	99.74	9.30	6.07	102.97	62.40	11.59	68.23	34.74
Dies	839.93	61.65	47.73	853.86	418.60	85.35	481.17	372.69
Sub-total (A)	7,162.03	926.61	240.30	7,848.36	2,326.38	525.26	179.86	5,176.56
Intangible assets								
Software (Other than internally generated)	119.15	20.51	-	139.66	62.34	20.43	82.77	56.89
Microwave Composite Heating Furnace (SDF Technology)	304.10	-	-	304.10	84.82	43.44	128.26	175.84
Sub-total (B)	423.25	20.51	-	443.76	147.16	63.87	-	232.73
Total [(A) + (B)]	7,585.28	947.12	240.30	8,292.12	2,473.54	589.13	179.86	5,409.29

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4.2 Right of use asset

(Rs. in Lakhs)

Particulars	Building	Leasehold Land	Total
Gross carrying value			
Balance as at March 31, 2021	122.27	55.81	178.08
Additions in 2021-2022	-	-	-
Balance as at March 31, 2022	122.27	55.81	178.08
Additions in 2022-2023	-	-	-
Balance as at March 31, 2023	122.27	55.81	178.08
Accumulated amortization			
Balance as at March 31, 2021	58.70	16.69	75.39
Charge for the year 2021-22	29.36	0.60	29.96
Balance as at March 31, 2022	88.06	17.28	105.35
Charge for the year 2022-2023	29.35	0.60	29.94
Balance as at March 31, 2023	117.41	17.88	135.29
Net carrying amount			
Balance as at March 31, 2022	34.21	38.53	72.73
Balance as at March 31, 2023	4.86	37.93	42.79

4.3 Depreciation as per statement of profit & loss

(Rs. in Lakhs)

Particulars	2022-23	2021-22
Depreciation on Property, plant & equipment and intangible assets	589.13	510.85
Depreciation on Right of use assets	29.94	29.95
Depreciation on CWIP	-	42.31
Depreciation as per statement of profit & loss	619.07	583.11


4.4 As on March 31, 2022

(Rs. in Lakhs)

Particulars	Gross block			Depreciation/amortization			Net block	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	For the year	On March 31, 2022	As at March 31, 2022
Property, plant & equipment (Tangible assets)								
Freehold land	56.70	-	-	56.70	-	-	-	56.70
Factory buildings (on leasehold land)	1,751.14	18.01	-	1,769.15	256.13	64.67	320.81	1,448.34
Plant and machinery (P & M)	2,501.24	364.67	106.08	2,759.83	821.88	211.61	941.08	1,818.75
Microwave Machinery (R&D)	149.10	-	-	149.10	149.10	-	149.10	-
Windmill	1,246.22	-	-	1,246.22	279.66	56.16	335.82	910.40
Electrical installation	92.38	9.68	-	102.06	34.94	8.22	43.17	58.90
Computers	34.00	19.57	1.97	51.60	15.07	7.04	20.18	31.42
Furniture and fixtures	70.08	4.11	-	74.19	25.48	7.00	32.48	41.72
Office equipment	7.48	7.02	1.00	13.51	1.52	2.14	2.75	10.76
Vehicles	91.89	14.35	6.50	99.74	57.60	10.97	62.41	37.33
Dies	869.52	65.86	95.45	839.93	383.00	89.99	418.60	421.33
Sub-total (A)	6,869.76	503.27	210.98	7,162.03	2,024.38	457.81	2,326.38	4,835.65
Intangible assets								
Software (Other than internally generated)	90.64	28.51	-	119.15	52.74	9.60	62.34	56.81
Microwave Composite Heating Furnace (SDF Technology)	304.10	-	-	304.10	41.38	43.44	84.83	219.28
Sub-total (B)	394.74	28.51	-	423.25	94.12	53.04	147.16	276.09
Total [(A) + (B)]	7,264.50	531.78	210.98	7,585.28	2,118.51	510.85	2,473.54	5,111.74

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4.5 Right of use asset

(Rs. in Lakhs)

Particulars	Building	Leasehold Land	Total
Gross carrying value			
Balance as at March 31, 2020	-	-	-
Additions in 2020-2021	122.27	55.81	178.08
Balance as at March 31, 2021	122.27	55.81	178.08
Additions in 2021-2022	-	-	-
Balance as at March 31, 2022	122.27	55.81	178.08
Accumulated amortization			
Balance as at March 31, 2020	-	-	-
Charge for the year 2020-21	58.70	16.69	75.39
Balance as at March 31, 2021	58.70	16.69	75.39
Charge for the year 2021-2022	29.36	0.60	29.96
Balance as at March 31, 2022	88.06	17.29	105.35
Net carrying amount			
Balance as at March 31, 2021	63.57	39.12	102.69
Balance as at March 31, 2022	34.21	38.52	72.73

4.6 Movement of capital work in progress

(Rs. in Lakhs)

Particulars	2022-23				
	P & M	Land	Building	Others	Total
Opening capital work in progress	107.12	-	66.74	1.08	174.94
Add: Addition during the year	701.68	99.22	179.69	21.50	1,002.08
Less: Assets capitalized/ reversed during the year	388.88	99.22	215.86	22.58	726.53
Closing capital work in progress	419.92	-	30.57	-	450.49

(Rs. in Lakhs)

Particulars	2021-22			
	P & M	Building	Others	Total
Opening capital work in progress	46.08	40.01	58.99	145.08
Add: Addition during the year	327.45	38.62	1.08	367.15
Less: Assets capitalized / reversed during the year	266.41	11.89	58.99	337.29
Closing capital work in progress	107.12	66.74	1.08	174.94

4.7 CWIP Ageing schedule as at March 31, 2023

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	450.49	-	-	-	450.49

CWIP Ageing schedule as at March 31, 2022

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	129.66	1.47	10.48	33.33	174.94

4.8 There are no capital-work-in-progress where completion is overdue or exceeded its cost as compared to original plan as at March 31, 2023

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion Schedule as at March, 2022

(Rs. in Lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Executive Floor*	37.95	-	-	-	37.95
Lift*	32.34	-	-	-	32.34
Total	70.29	-	-	-	70.29

*Executive floor and lift has been capitalised during the current year.

4.9 Details of remaining amortization period and carrying value of intangible assets is as given below:

(Rs. in Lakhs)

Particulars	Carrying amount as at (Rs. in Lakhs)		Remaining useful life as at (months)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Epicore software	18.82	25.14	28	40
Microwave composite heating furnace (SDF Technology)	175.84	219.28	48	60
Other software's	38.07	31.67	11 to 24	11 to 24

4.10 First pari passu charge has been created on property, plant and equipment of the Company (present and future)(excluding windmill) in respect of term loans taken by the Company (Refer note 17.1) and in respect of foreign currency term loan of USD Nil outstanding as on March 31, 2023 (Outstanding as on March 31, 2022: USD 0.48 Million) taken by Pradeep Metals Limited, Inc.(Wholly Owned Subsidiary) in USA. Further, second charge has been created on the property, plant and equipment for working capital facility availed by the Company (Refer note 20.1)

(Rs. in Lakhs)

5	Non current Investment (At cost, unless otherwise specified)	As at March 31, 2023	As at March 31, 2022
	Unquoted equity instruments (fully paid)		
	Investment in wholly owned subsidiary		
	Pradeep Metals Ltd Inc. USA, Houston	1,342.53	1,342.53
	200 (Previous year: 200) Shares of face value USD 25 each		
	Less-Impairment in the value of investment	810.00	675.00
	Total	532.53	667.53

5.1 Out of above, 60 Shares are pledged with Union Bank of India, Hong Kong and non - disposal undertaking is given to them in respect of balance 140 shares in connection with Foreign Currency Loan of USD 1.20 Million taken by Pradeep Metals Limited, Inc. USA (Outstanding as on March 31, 2023 - Nil) (Outstanding as on March 31, 2022 - USD 0.48 Million). Subsequent to the year end, the Company has complied with necessary formalities to release the pledge on said investments.

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- 5.2 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 a provision for impairment of Rs. 135 Lakhs in the value of its investment in WOS during the year ended March 31, 2023. (Previous year Rs.135 Lakhs). Aggregate impairment provision upto March 31, 2023 is Rs.810 Lakhs. This provision is disclosed as exceptional item in the standalone financial statements. 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.

5.3 Other disclosures of investment

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate cost of unquoted investment	532.53	667.53
Market value of unquoted investment	-	-
Aggregate amount of impairment in the value of investment	810.00	675.00

(Rs. in Lakhs)

6	Loans Non-current (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Loans to related parties		
	Loan to wholly owned subsidiary	2,333.63	2,152.51
	Total	2,333.63	2,152.51

- 6.1 No loans and advances are due from directors or other officers of the Company either severally or jointly with any other person. Rs. 2,333.63 Lakhs (Previous year: Rs. 2,152.51 Lakhs) is receivable from a wholly owned subsidiary having three common directors.

- 6.2 Loans are non derivative financial assets which generate fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter party (also refer note 5.2).

(Rs. in Lakhs)

7	Other non-current financial assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Security deposits	98.74	47.28
	Deposit with bank (under lien) having remaining maturity more than 12 months	0.37	0.85
	Total	99.11	48.13

- 7.1 Bank deposits aggregating to Rs. 0.37 Lakh (Previous year: 0.85 Lakh) are under lien with bank towards guarantees issued by bank.

(Rs. in Lakhs)

8	Other non-current assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Capital advances		
	- Consider good	689.24	420.19
	- Considered doubtful	50.00	50.00
		739.24	470.19
	Less:- Allowance for bad and doubtful advances	(50.00)	(50.00)
		689.24	420.19
	Amount paid under protest	10.10	10.10
		(10.10)	(10.10)
	Less: Provision for the above matter (Refer note 8.1 below)	-	-
	Prepaid expenses	17.47	10.94
	Total	706.71	431.13

- 8.1 Pursuant to Hon'ble High Court order, the Company had deposited back wages under protest amounting to Rs. 10.10 Lakhs in respect of ex-employees whose services were terminated in earlier years. As an abundant caution, the Company had made contingency provision of Rs.10.10 Lakhs (Previous year: 10.10 Lakhs) which was charged to the Statement of Profit & Loss during the previous year. The quantum of final liability cannot be ascertained at this stage and will be based on the outcome of matter under dispute.

(Rs. in Lakhs)

9	Inventories (At lower of cost or net realisable value unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Raw material - Steel	1,437.53	1,318.28
	Raw materials - Dies	117.24	57.58
	Work-in-progress	2,143.50	1,819.52
	Finished goods in transit	85.44	110.92
	Stores, spares and consumables	131.06	111.92
	Scrap	18.19	13.95
	Total	3,932.96	3,432.17

- 9.1 During the year ended March 31, 2023, Rs.6.85 Lakhs (Previous year:Rs 46.25 Lakhs) was recognised as an expenses for inventories carried at Net realisable value.

(Rs. in Lakhs)

10	Trade receivables (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Unsecured		
	Considered good	6,152.38	6,021.71
	Considered doubtful	-	1.17
		6,152.38	6,022.88
	Less: Allowance for doubtful debts	-	0.34
	Total	6,152.38	6,022.54

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- 10.1** No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Rs. 0.28 Lakh (Previous year: Rs. 1,020.56 Lakhs) is receivable from a wholly owned subsidiary having three common directors and from Step Down Subsidiary of Rs. 1479.19 Lakhs having three common directors (Previous year: Rs 564.88 Lakhs)
- 10.2** For details of outstanding receivables from related parties. (refer note 40.3)
- 10.3** Trade receivables are non - interest bearing and are generally on terms of 30 to 270 days.
- 10.4** Trade receivable includes export bills aggregating to Rs.299.69 Lakhs (Previous year: Rs.265.96 Lakhs) purchased/discounted by the bank but pending realisation as on the date of the Balance Sheet & disclosed under working capital (short term borrowing). The Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Company has retained the late payment and credit risk.
- 10.5** Refer note 47 for policy on expected credit loss.
- 10.6** The Company has registered under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. The relevant provisions in respect of receivable are applicable to the Company.

10.7 Trade receivables ageing schedule as at March 31, 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,810.43	264.37	77.51	0.07	-	-	6,152.38
Total	5,810.43	264.37	77.51	0.07	-	-	6,152.38

10.8 Trade receivables ageing schedule as at March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,575.15	446.56	-	-	-	-	6,021.71
(ii) Undisputed Trade Receivables – considered doubtful	-	1.03	0.03	0.11	-	-	1.17
Total	5,575.15	447.59	0.03	0.11	-	-	6,022.88

(Rs. in Lakhs)

11	Cash and cash equivalent and other bank balances	As at March 31, 2023	As at March 31, 2022
	Cash and cash equivalent		
	Balances with banks		
	- In current accounts	0.08	0.29
	Cash on hand	1.79	1.26
	Total	1.87	1.55
	Other bank balances		
	- In fixed deposits having remaining maturity less than 12 months	35.94	32.72
	- Earmarked balances (on unpaid dividend account)	18.62	15.98
	Total	54.56	48.70

11.1 Bank deposits earn interest at fixed rates.

11.2 Bank deposits aggregating to Rs. 35.94 Lakhs (Previous year: Rs. 32.72 Lakhs) are under lien with banks towards guarantees issued by bank.

(Rs. in Lakhs)

12	Loans (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Other loans		
	Loan to employees	5.82	7.52
	Total	5.82	7.52

(Rs. in Lakhs)

13	Other current financial assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Export incentive receivable	110.11	210.95
	Sales tax refund receivable		
	Considered doubtful	-	4.99
		-	4.99
	Less: Provision for Doubtful Sales Tax Receivable	-	(4.99)
		-	-
	Amount recoverable from customers (Dies)	37.37	42.20
	Recoverable from wholly owned subsidiary	15.45	12.66
	Foreign currency forward contract receivable (net)	-	28.90
	Other receivables (including amount refundable from bank)	86.44	33.63
	Interest Accrued on fixed deposits	0.20	0.02
	Total	249.57	328.36

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13.1 Break up of financial assets carried at amortised cost

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans [refer note 6 & 12]	2,339.45	2,160.02
Other financial assets [refer note 7 & 13]	348.68	376.49
Trade receivables [refer note 10]	6,152.38	6,022.54
Cash & cash equivalents [refer note 11]	1.87	1.55
Other bank balance [refer note 11]	54.56	48.70
Total	8,896.94	8,609.30

(Rs. in Lakhs)

14 Other current assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
Advance to suppliers (other than capital advance)	9.44	0.73
Considered doubtful	1.20	-
	10.64	0.73
Less:- Allowance for doubtful advances	1.20	-
	9.44	0.73
Input tax credit receivable (including refund receivable)	258.22	286.83
Prepaid expenses	108.18	97.56
Advance contribution towards gratuity fund	26.17	66.95
Total	402.01	452.07

15 Share capital

(Rs. in Lakhs except share & per share data)

15.1 Authorised capital	As at March 31, 2023	As at March 31, 2022
Equity share capital		
18,500,000 (Previous year: 18,500,000) Equity Shares of Rs. 10 each	1,850.00	1,850.00
Preference share capital		
550,000 (Previous year: 550,000) Preference Shares of Rs.100 each	550.00	550.00
Total	2,400.00	2,400.00

(Rs. in Lakhs except share & per share data)

15.2 Issued, subscribed and paid-up capital	As at March 31, 2023	As at March 31, 2022
Issued		
17,270,000 (Previous year: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Issued, subscribed and paid-up		
17,270,000 (Previous year: 17,270,000) Equity Shares of Rs.10 each	1,727.00	1,727.00
Total	1,727.00	1,727.00

15.3 The Company has only one class of issued shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors shall be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.4 Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year	As at March 31, 2023	As at March 31, 2022
Shares outstanding at beginning of the year	17,270,000	17,270,000
Changes during the year	-	-
Shares outstanding at the end of the year	17,270,000	17,270,000

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13
Mrs. Neeru P. Goyal	919,927	5.33	919,927	5.33
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03

15.6 Shares held by ultimate holding company

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03

15.7 Shares held by promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year	
	Number of Shares	% of holding	Number of Shares	% of holding	As at March 31, 2023	As at March 31, 2022
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13	-	-
Mrs. Neeru P. Goyal	919,927	5.33	919,927	5.33	-	-
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03	-	-
Total	12,690,783	73.49	12,690,783	73.49	-	-

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- 16 For details of other equity, refer Statement of Changes in Equity forming part of the financial statements.

(Rs. in Lakhs)

17 Borrowings (Non-current)	As at March 31, 2023	As at March 31, 2022
Secured		
Term loans		
From banks		
- Foreign currency loan	787.83	1,027.81
- Rupee loan	409.84	427.16
Total	1,197.67	1,454.97

17.1 Details of security provided

(i) All Term loans (Foreign currency loans & Rupee loans) are secured by first charge on freehold land, leasehold factory building (with land) and windmill and second charge on entire current assets of the Company (refer Note 4.10). The loans are further secured by personal guarantee of Chairman and Managing Director of the Company.

17.2 Terms of repayment and maturity profile of the term loan is as set out below:

(Rs. in Lakhs)

Borrowings	Interest Rates	As at March 31, 2023	As at March 31, 2022
Term loan XII (INR) Current year- Nil (Previous year: 1) quarterly installments of Rs. 18 Lakhs & 1 installment of balance amount	1YMCLR+1.00% (Currently 8.25% p.a.)	-	34.86
Foreign currency term loan XI Current year- Nil (Previous year: 4) quarterly installments of Rs. 50 Lakhs each & 1 installment of balance amount	6M SOFR+2.00% (Currently 5.1090% p.a.)	-	202.28
Term loan XIII Repayable in 2 (Previous year: 5) quarterly installments of Rs. 22.50 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.25% p.a.)	69.81	182.31
Term loan XIV Repayable in 1 (Previous year: 4) installment of balance amount of Rs. 3.70 Lakhs	1YMCLR+1.00% (Currently 9.25% p.a.)	3.70	34.30
Foreign currency term loan XIV Repayable in 2 (Previous year: 4) quarterly installments of Rs. 16.50 Lakhs each & 1 installments of balance amount	6M SOFR+2% (Currently 6.1714% p.a.)	38.92	69.24

Term loan XV Repayable in 6 (Previous year: 4) quarterly installments of Rs. 17.70 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.40% p.a.)	112.60	124.42
Term loan XVII (INR & FCTL) Repayable in 3 quarterly installments of Rs. 75 Lakhs and subsequent 8 quarterly installments of Rs. 150 Lakhs (previous year: 1)	6M SOFR+2% (Currently 5.9910% p.a.)	1,162.83	1,141.69
	1YMCLR+1.00% (Currently 9.25% p.a.)	253.59	253.59
Term loan XVI (INR) Repayable in 10 (Previous year:4) quarterly installments of Rs. 16.70 Lakhs each & 1 installment of balance amount.	1YMCLR+1.00% (Currently 9.40% p.a.)	181.26	90.74
Total		1,822.71	2,133.43

Above figures are including current maturity as disclosed in note 20.

(Rs. in Lakhs)

18	Provisions (Non-current)	As at March 31, 2023	As at March 31, 2022
	Provision for employee benefits		
	- Leave benefits	77.68	96.66
	Total	77.68	96.66

19 Income & deferred taxes

The major components of income tax expense for the years ended March 31, 2023 & March 31, 2022 are as under:

19.1 Statement of profit & loss (Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	698.24	552.65
Deferred tax	(20.08)	(23.33)
Income tax of earlier years (net)	(29.11)	(17.71)
Tax expense reported in the statement of profit & loss	649.05	511.61

19.2 Other comprehensive income (OCI) (Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax related to items recognised in OCI		
Re-measurement of defined benefit plans charge/(credit)	(15.52)	1.22
Deferred tax charge/(credit)	(15.52)	1.22

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19.3 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for March 31, 2023 and March 31, 2022

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	2,514.18	1,935.56
Applicable income tax rate	25.17%	25.17%
	632.77	487.14
- Effect of expenses not deductible in determining taxable profit	45.40	42.19
- Income tax and deferred tax of earlier years (net)	(29.11)	(17.71)
Subtotal	649.06	511.61
At the effective income tax rate of	25.82%	26.43%
Tax expense reported in the Standalone statement of profit and loss	649.06	511.61

19.4 Deferred tax liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax (asset)/liability relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	387.11	410.98
Provision for doubtful debts/advances	-	(0.08)
Provision for NMMC cess liability	(0.04)	(0.04)
Provision for employee benefits	(49.64)	(42.74)
Right of use asset	(0.27)	(1.32)
Provision for Contingency	(2.54)	(2.54)
Weighted average deduction u/s 80JJAA	8.68	(0.88)
Net deferred tax liabilities	343.30	363.37

19.5 Reflected in the balance sheet as follows

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	(43.81)	(47.61)
Deferred tax liabilities	387.11	410.98
Deferred tax liabilities (net)	343.30	363.37

19.6 Deferred tax expenses/(income)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	(23.87)	(22.41)
Provision for doubtful debts/advances	0.08	0.86
Provision for NMMC cess liability	-	0.01
Provision for employee benefits	(6.90)	(3.55)
Right of use asset	1.05	0.26
Provision for Contingency	-	(2.54)
Weighted average deduction u/s 80JJAA	9.56	4.04
Net deferred tax credit	(20.08)	(23.33)

- 19.7** The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and intends either to settle on a net basis. Deferred tax asset has not been recognised on impairment in the value of investment of Rs. 810 Lakhs (Previous year - Rs. 675 Lakhs) and Provision for doubtful capital advances Rs. 50 Lakhs (Previous year Rs. 50 Lakhs) in the absence of reasonable certainty of its reversal in future.

(Rs. in Lakhs)

20 Borrowings (Current)	As at March 31, 2023	As at March 31, 2022
Secured		
From bank		
Working capital loans		
- Cash credit (Repayable on demand)	1,246.26	1,228.23
- Packing credit (Repayable within 180 days)	2,696.43	2,721.00
- Bills discounted (Repayable within 30 to 270 days)	299.69	265.96
Current maturity of long term borrowings		
- Rupee loan	211.12	293.06
- Foreign currency loan	413.92	385.40
Total	4,867.42	4,893.65

20.1 Details of security provided on working capital loans

Working capital loans are secured by first charge by way of hypothecation of stock and book debts and second charge on entire fixed assets of Company. The loans are further secured by personal guarantee of Chairman & Managing Director of the Company.

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(Rs. in Lakhs)

21	Trade payables	As at March 31, 2023	As at March 31, 2022
	- Dues to micro & small enterprises (refer note 21.1)	61.48	29.89
	- Dues to other than micro & small enterprises	2,320.11	2,106.47
	Total	2,381.59	2,136.36

21.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act], certain disclosures are required to be made relating to Micro and Small Enterprises. The Company has disclosed such information only to the extent received from suppliers about their coverage under the MSMED Act. Auditor's have relied on the same.

21.2 Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED, Act 2006)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year.	61.48	29.89
b) Interest due remaining unpaid to any supplier at the end of the year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	0.04
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

21.3 Terms & conditions of the above financial liabilities:

Trade payables are non-interest bearing and are generally settled on 15 to 90 days terms. For details of balances outstanding of related parties, refer note 40.3.

21.4 Trade payables ageing schedule as at March 31, 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	52.71	8.77	-	-	-	-	61.48
(ii) Undisputed Others	1,371.41	946.11	1.89	0.70	-	-	2,320.11
Total	1,424.11	954.89	1.89	0.70	-	-	2,381.59

Trade payables ageing schedule as at March 31, 2022

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	25.70	4.19	-	-	-	-	29.89
(ii) Undisputed Others	1,579.37	522.72	1.91	0.38	2.09	-	2,106.47
Total	1,605.07	526.91	1.91	0.38	2.09	-	2,136.36

22 Other current financial liabilities

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	-	3.11
Amount payable for capital goods	73.44	28.44
Unpaid dividend	18.61	15.98
Foreign currency forward contract payable (net)	100.30	-
Accrued expenses	240.59	282.90
Salary and wages payable	463.58	371.49
Other liabilities*	23.80	23.12
Total	920.33	725.04

*Other liabilities includes directors commission payable, interest payable etc.

22.1 Break up of financial liabilities carried at amortised cost

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings [refer note 17 & 20]	6,065.09	6,348.62
Lease liabilities [refer note 39]	5.93	39.49
Other financial liabilities [refer note 22]	920.34	725.04
Trade payable [refer note 21]	2,381.59	2,136.36
Total	9,372.94	9,249.51

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(Rs. in Lakhs)

23	Other current liabilities	As at March 31, 2023	As at March 31, 2022
	Statutory liabilities	55.37	41.59
	Total	55.37	41.59

(Rs. in Lakhs)

24	Provision (Current)	As at March 31, 2023	As at March 31, 2022
	Provision for employee benefits		
	- Leave benefits	64.55	48.17
	Provision for contingency	0.15	0.15
	Total	64.70	48.32

24.1 Movement of provision for contingency

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as on April 01, 2022	0.15	0.15
Add: Provision made	-	-
Less: Provision utilised	-	-
Less: Provision written back	-	-
Closing balance as on March 31, 2023	0.15	0.15

Note:

Provision for contingency represents provision for disputed Navi Mumbai Municipal Cess ('NMMC'). In respect of this matter, the Company had paid Rs. 60.29 Lakhs (Previous year: 60.29 Lakhs) under protest in the previous years and adjusted the payment under protest to the extent of expected liability though the outcome of appeal is pending to be received. Expected outflow of interest/penalty depends on outcome of the appeal filed.

(Rs. in Lakhs)

25	Revenue from operations		Year ended March 31, 2023	Year ended March 31, 2022
	Sale of products		21,558.28	17,907.22
	Sale of services			
	- Job work and tooling charges		109.31	36.09
		(A)	21,667.59	17,943.31
	Other operating revenues			
	- Export incentives		204.27	151.49
	- Sale of electricity - windmill		197.68	197.18
	- Scrap sales		2,518.08	2,425.83
		(B)	2,920.03	2,774.50
	Total	(A + B)	24,587.62	20,717.81

25.1 Disclosures of Ind AS 115 - Revenue from contracts with customers:

- (a) Contracts with customer and significant judgement in applying the standard:
- (i) The Company's operations relates to manufacturing and selling of forged and machined components for various sectors. The Company caters to both domestic and 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 25.2 below.
- (iii) There are no contract assets arising from the Company's contract with customers.
- (b) Disaggregation of revenue:
- (i) For disaggregation of revenue, refer break-up given in note 25 above, note 49.1 and note 49.4 (i)
- (ii) Refer note 49.4(iii) for details regarding customer concentration that represents 10% or more of the Company's total revenue during the year ended March 31, 2023 and March 31, 2022.
- (c) Performance obligation
- (i) For timing of satisfaction of its performance obligations, refer note 3.6 of significant accounting policies of the Company.

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

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contracted price	24,677.83	20,785.75
Less: Amount towards variable consideration components *	90.21	67.94
Revenue recognised	24,587.62	20,717.81

* The reduction towards variable consideration comprises of volume discounts given/reversed, etc.

26

(Rs. in Lakhs)

Other income	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
- Fixed deposit	1.73	0.57
- Loans to wholly owned subsidiary	151.04	104.21
- Others	0.53	0.34
Guarantee commission recovered	15.49	11.24
Amount no longer payable written back	3.19	10.27
Miscellaneous income*	16.83	21.24
Foreign exchange fluctuation gain (net)	235.61	417.39
Total	424.42	565.26

* Miscellaneous income includes sundry scrap & miscellaneous recoveries.

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(Rs. in Lakhs)

27	Cost of raw materials consumed	Year ended March 31, 2023	Year ended March 31, 2022
	Opening Inventory	1,318.28	974.55
	Add: Purchases	11,961.99	10,819.19
	Less: Closing Inventory	1,437.53	1,318.28
	Cost of raw materials consumed	11,842.74	10,475.46

(Rs. in Lakhs)

28	Changes in inventories of work-in-progress, finished goods and scrap	Year ended March 31, 2023	Year ended March 31, 2022
	Opening inventory		
	Work-in-progress	1,819.52	1,439.22
	Scrap	13.95	24.27
	Finished goods in transit	110.92	27.69
		1,944.39	1,491.18
	Closing Inventory		
	Work-in-progress	2,143.50	1,819.52
	Scrap	18.19	13.95
	Finished goods in transit	85.44	110.92
		2,247.13	1,944.39
	Increase in Stock of WIP, finished goods and scrap	(302.74)	(453.21)

(Rs. in Lakhs)

29	Manufacturing expenses	Year ended March 31, 2023	Year ended March 31, 2022
	Dies expenses	201.75	156.57
	Consumption of Stores & Spares	916.36	690.44
	Other freight inward and other expenses	93.59	92.94
	Power, fuel and water	1,572.74	1,300.84
	Insurance expenses	88.31	81.06
	Repairs and maintenance		
	- Plant and machinery	205.33	158.81
	- Windmill maintenance charges	25.27	24.27
	- Building	39.85	32.61
	Contract labour expense	515.46	389.38
	Job work expenses	1,552.23	1,332.90
	Rent	94.95	89.44
	Total	5,305.84	4,349.26

(Rs. in Lakhs)

30	Employee benefit expense	Year ended March 31, 2023	Year ended March 31, 2022
	Salaries, wages and bonus (including managerial remuneration)	2,507.65	2,190.60
	Contribution to provident and other funds	118.16	113.04
	Gratuity	36.15	35.09
	Leave benefits	14.36	20.46
	Workmen and staff welfare expenses	97.12	77.75
	Total	2,773.44	2,436.94

(Rs. in Lakhs)

31	Finance costs	Year ended March 31, 2023	Year ended March 31, 2022
	Interest on bank facilities	376.95	279.88
	Foreign exchange loss (attributable to finance cost) (refer note 31.1)	54.19	59.27
	Other interest costs*	2.47	6.86
	Bank charges	109.87	97.04
	Total	543.48	443.05

*Other interest costs includes interest paid to tax authorities & interest on leasehold properties in accordance with Ind AS 116- Leases.

- 31.1 The foreign exchange loss relates to foreign currency term loans and working capital loans to the extent considered as an adjustment to the interest cost.

(Rs. in Lakhs)

32	Other expenses	Year ended March 31, 2023	Year ended March 31, 2022
	Freight outward	408.85	469.44
	Professional and legal fees	278.80	162.11
	Travelling and conveyance	70.32	37.70
	Rates and taxes	35.96	42.43
	Repairs and maintenance - Others	38.23	30.27
	Payment to auditors (refer note 32.1)	21.53	21.89
	Directors sitting fees	12.75	13.50
	Commission to other directors	6.65	4.75
	Commission on sales	487.39	389.40
	Allowance for doubtful debt utilised)	(0.35)	(3.42)
	Allowance for doubtful advances /(utilised)	1.20	(0.70)
	Provision for Doubtful Sales Tax Receivable	-	4.99
	Corporate social responsibility expenses	35.30	32.97
	Donation	0.96	0.95
	Loss on sale and discard of fixed assets (net)	40.67	39.13
	Provision for Contingency (Refer note 8.1)	-	10.10
	Miscellaneous expenses*	142.78	122.39
	Total	1,581.04	1,377.90

* Miscellaneous expenses includes office expenses, printing stationery, postage, security, selling, communication etc.

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32.1 Payment to auditors

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor:		
- Statutory audit fees	19.25	19.25
- Tax audit	2.20	2.20
- Others (including certification fees)	0.08	0.44
Total	21.53	21.89

33 Exceptional Items

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision for impairment of investment in the WOS (refer note 5)	135.00	135.00
Total	135.00	135.00

34 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below

(Rs. in Lakhs)

Particulars		Tax	Total
Re-measurement losses on defined benefit plans	(61.66)	15.52	(46.14)
Total	(61.66)	15.52	(46.14)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Tax	Total
Re-measurement gains on defined benefit plans	4.84	(1.22)	3.62
Total	4.84	(1.22)	3.62

35 Earnings per equity share

(Rs. In Lakhs except share & per share data)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax attributable to shareholders (before OCI) (in Rs. Lakhs)	(A)	1,865.13	1,423.95
Weighted average number of equity shares for basic EPS	(B)	17,270,000	17,270,000
Weighted average number of equity shares for diluted EPS	(C)	17,270,000	17,270,000
Basic earnings per share of face value of Rs.10/- each (in Rs.)	(A/B)	10.80	8.25
Diluted earnings per share of face value of Rs.10/- each (in Rs.)	(A/C)	10.80	8.25

36 Contingent liabilities

- (A) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to standalone financial statements. Details of contingent liabilities not provided for are given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claim against the Company not acknowledged as debts (net)	26.25	26.25
(b) Letters of guarantee issued by bank	124.47	108.07
(c) Corporate guarantees given for loans taken by Pradeep Metals Limited, Inc. wholly owned subsidiary Outstanding as on March 31, 2023 USD 1,298,201 (Previous year: USD 2,077,247) (Refer Notes 4.10 & 5.1)#	1,066.73	1,574.40

Converted in INR at exchange rate of year end i.e. Rs. 82.17 (Previous year: Rs. 75.7925)

- (i) In respect of (b) and (c) above, the Company does not expect any cash outflow till such time contractual obligations are fulfilled.
- (ii) In respect of (a) future cash out flows (including interest/penalty) are determinable on receipt of judgments from the statutory authorities/labour court.

(B) The Company has received demand under the Income Tax Act, 1961 for various Financial Years as given below:

(Rs in Lakhs)

Demand pertaining to financial Year	2022-23	2021-22
2013-14	-	39.63
2017-18	-	101.84
2019-20	28.56	290.84
Total	28.56	432.31

In this regard, the Company has filed appeal before tax authorities. Future cash outflows, if any, in respect of the above is determinable only on disposal of appeal. In the view of the management, the possibility of liability devolving on the Company in this case is remote.

- (C) Claims made by the ex-employees whose services have been terminated in earlier years are not acknowledged as debt. The matters are frivolous and are disputed under various forums. However, in the opinion of the management, these claims are not tenable. The possibility of any liability devolving on the Company is remote and hence, no disclosure as contingent liability is considered necessary.

37 Capital and other commitments

- (i) Capital commitment for tangible assets (net of advance paid) - Rs.1,171.10 Lakhs (Previous year: Rs. 423.71 Lakhs) and for intangible assets (net of advance paid) - Nil (Previous year: Nil).
- (ii) There are no other commitments as on March 31, 2023 (Previous year: Nil).

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38 Borrowings secured against current assets

During the year, the Company has taken borrowings from banks on the basis of security of current assets. Discrepancies in quarterly returns or statements of current assets filed by the Company to bank with books of account which are not material are as mentioned below:

(Rs. in Lakhs)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 30, 2022	Union Bank of India	Inventory and trade receivables	10,522.14	10,572.74	(50.60)	Amount of difference is upto 0.13% (on average basis) which is mainly due to material dispatched to customers but revenue is recognised in the subsequent quarters.
September 30, 2022	Union Bank of India	Inventory and trade receivables	10,627.69	10,577.77	49.92	
December 31, 2022	Union Bank of India	Inventory and trade receivables	10,660.98	10,607.82	53.16	
March 31, 2023	Union Bank of India	Inventory and trade receivables	9,854.48	9,854.48	-	

39 Leases:

Company as lessee:

i) Disclosures as per Ind AS 116- Leases

- The Company has taken factory premises and machinery under lease agreements and the Company has obtained land on leasehold basis from local authorities.
- For lease arrangement with lease terms of 12 months or less, the Company has applied the 'short-term lease' recognition exemptions. Also refer note 3.13 for accounting policy on leases.
- For addition, depreciation and carrying value of right of use asset, refer note 4.2.

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

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest expense on lease liabilities	2.44	5.62
Lease expenses in case of short term leases and low value leases	94.95	89.44
Lease expenses debited to lease liabilities	33.56	30.38
Total cash outflow for leases [incl. short term & low value leases]	130.95	125.44

e) Disclosure in balance sheet:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (gross block)	178.08	178.08
Right-of-use assets (net book value)	42.79	72.73
Financial liability- Lease liabilities - current	5.93	33.56
Financial liability -Lease liabilities - non-current	-	5.93

40 Related party disclosure
40.1 Name of the related parties and related party relationship

Description of relationship	Name of the Related Party
Enterprise having control over the Holding Company (Ultimate holding company)	Nami Capital Private Limited
Director/Key management personnel (KMP)	Mr. Pradeep Goyal, Chairman & Managing Director
	Dr. Kewal K. Nohria, Non-Executive Director
	Mrs. Neeru Pradeep Goyal, Non-Executive Director (Wife of Chairman & Managing Director)
	Late Mr. Suresh G. Vaidya, Independent Director (Demise on April 12, 2023)
	Mr. Jayavardhan Dhar Diwan, Independent Director
	Mrs. Nandita Vohra, Independent Director
	Mr. Abhinav Goyal, Non- Executive Director (Son of Chairman & Managing Director)
	Mr. Kartick Maheshwari, Independent Director
Wholly owned subsidiary	Pradeep Metals Limited Inc., USA, Houston
Step down subsidiary of wholly owned subsidiary	Dimensional Machine Works LLC, USA, Houston
Enterprises owned or significantly influenced by key management personnel or their relatives with whom transactions taken place during the year	Dhanlabh Engineering Works Private Limited

Note: Designated Key Managerial Personnel as required by Section 203 of the Companies Act, 2013 are not considered to be Key Management Personnel (Related party) for the purpose of disclosure under Ind AS 24.

40.2 Related party transactions

(Rs. in Lakhs)

Name of the related party	Nature of the transaction	As at March 31, 2023	As at March 31, 2022
Dhanlabh Engineering Works Private Limited	Labour charges paid	98.54	76.25
	Job Work and tooling charges	6.79	-
	Sale of products	14.21	-
	Rent expenses (amortisation of RoU)	42.48	42.48
	Electricity charges (Reimbursement)	17.71	16.54
	Sale of scrap	2.19	2.80
Pradeep Metals Limited Inc., USA, Houston	Sale of products	39.82	1,604.42
	Guarantee commission recovered	15.49	11.24
	Agency Commission Expenses	487.39	426.09
	Loan given	-	269.53
	Professional Fees reimbursement	1.25	1.92
	Reimbursement of freight charges recovered	9.10	132.11

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	Interest income (on loan given)	151.04	104.21
	Corporate guarantee given (netted off by guarantee released on repayment of ECB liability)	-	667.83
Dimensional Machine Works LLC, USA, Houston	Purchase of property, plant and equipment	-	213.09
	Purchase of Raw Material	0.38	0.91
	Freight Inward	-	2.07
	Reimbursement of freight charges	58.56	44.39
	Sale of products	1,762.72	630.63
Nami Capital Private Limited	Dividend paid (including interim dividend)	229.38	101.94
Neeru Goyal	Sitting fees paid	1.00	1.00
	Dividend paid (including interim dividend)	20.70	9.20
Dr. Kewal K. Nohria	Sitting fees paid	2.50	2.75
	Dividend paid (including interim dividend)	15.17	6.74
	Commission	1.40	1.00
Late Mr. Suresh G. Vaidya	Sitting fees paid	2.50	2.75
	Commission	1.40	1.00
Mr. Jayavardhan Dhar Diwan	Sitting fees paid	2.25	2.50
	Commission	1.40	1.00
Mr. Kartick Maheshwari	Sitting fees paid	1.50	2.25
	Commission	1.05	0.75
Mrs. Nandita Vohra	Sitting fees paid	2.00	1.25
	Commission	1.40	1.00
Mr. Abhinav Goyal	Sitting fees paid	1.00	1.00
Mr. Pradeep Goyal	Remuneration (including other allowances)	123.48	123.16
	Incentive	55.00	52.23
	Dividend paid (including interim dividend)	35.47	15.76

Note: Sitting fees, commission, remuneration and incentive pay forms part of short term employee benefits.

* Does not include Leave encashment since the same is considered for all employees (including the Chairman & Managing Director) of the Company as a whole.

40.3 Balance outstanding as at the year end

(Rs. in Lakhs)

Name of the related party	Nature of outstanding	As at March 31, 2023	As at March 31, 2022
Pradeep Metals Limited Inc., USA, Houston	Trade receivable	0.28	1,020.56
	Agency commission payable	156.42	162.08
	Guarantee commission receivable	1.11	1.52
	Loan given	2,333.63	2,152.51
	Interest on loan receivable	14.34	9.07
	Investment in Subsidiary company	1,342.53	1,342.53
	Corporate guarantee outstanding #	1,066.73	1,574.40
Dimensional Machine Works LLC, USA, Houston	Amount payable for capital goods	26.99	25.06
	Trade receivable	1,479.19	564.88
	Trade receivable (Freight Inward)	-	2.07
Dhanlabh Engineering Works Private Limited	Trade payable	19.03	13.12
	Trade receivable	0.98	-
Dr. Kewal K. Nohria	Commission payable	1.40	1.00
Late Mr. Suresh G. Vaidya	Commission payable	1.40	1.00
Mr. Jayavardhan Dhar Diwan	Commission payable	1.40	1.00
Mr. Kartick Maheshwari	Commission payable	1.05	0.75
Mr. Abhinav Goyal	Sitting fees payable	0.69	-
Mrs. Nandita Vohra	Commission payable	1.40	1.00
Mr. Pradeep Goyal	Remuneration payable	4.40	4.90
	Incentive payable	55.00	51.15

#Converted in INR at exchange rate of year end i.e. Rs. 82.17 (Previous year: Rs. 75.7925). For corporate guarantees given to Pradeep Metals Limited, Inc., refer note 36.

Note: In addition to above transactions, Chairman and Managing Director of the Company has given personal guarantee for loan facilities taken by the Company, No guarantee charges are payable by the Company (Refer note 17.1 & 20.1)

40.4 All transactions were made on normal commercial terms and conditions and at market rates.
41 Loans and advances in the nature of loans given to subsidiary

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Pradeep Metals Limited, Inc		
Balance outstanding	2,333.63	2,152.51
Maximum amount outstanding during the year	2,333.63	2,152.51

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42 Disclosures required under sec. 186(4) of the Companies Act, 2013

(Rs. in Lakhs)

Name of the borrower	Purpose	Rate of Int. p.a	As at March 31, 2023	As at March 31, 2022
Pradeep Metals Limited, Inc.	General corporate / Business purpose	7.1383% (Previous year: 4.89%)	2,333.63	2,152.51
Total			2,333.63	2,152.51

43 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 March 31, 2023, other than those with carrying amounts that are reasonable approximates of fair values:

(Rs. in Lakhs)

Particulars	Carrying value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(i) Loans	2,339.45	2,160.02	2,339.45	2,160.02
(ii) Other non-current financial assets	99.11	48.13	99.11	48.13
(iii) Trade receivables	6,152.38	6,022.54	6,152.38	6,022.54
(iv) Cash and cash equivalents	1.87	1.55	1.87	1.55
(v) Other bank balances	54.56	48.70	54.56	48.70
(vi) Other current financial assets	249.57	328.36	249.57	328.36
Total financial assets	8,896.94	8,609.30	8,896.94	8,609.30
(i) Borrowings (Non-current)	1,197.67	1,454.97	1,197.67	1,454.97
(ii) Lease liabilities (Non-current)	-	5.93	-	5.93
(iii) Trade payable	2,381.59	2,136.36	2,381.59	2,136.36
(iv) Lease liabilities (Current)	5.93	33.56	5.93	33.56
(v) Other current financial liabilities	920.33	725.04	920.33	725.04
(vi) Borrowings (Current)	4,867.42	4,893.65	4,867.42	4,893.65
Total financial liabilities	9,372.93	9,249.51	9,372.93	9,249.51

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.

(ii) Fair value hierarchy

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly unobservable;

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

Fair value hierarchy as at March 31, 2023

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Derivative Instruments	-	100.29	-	100.29

Fair value hierarchy as at March 31, 2022

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Instruments	-	28.90	-	28.90

Determination of fair values: The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value.

Derivative instruments: For forward contracts, future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward exchange rates, discounted at a rate that reflects the credit risk of respective counterparties.

44 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 (Cash Generating Unit) CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involve use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

b) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan/other long term benefits and the present value of the gratuity obligation/other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation/other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The cost of the defined benefit gratuity plan and other long term benefit and the present value of the gratuity obligation and leave benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on management policy for increase in basic salary.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period. The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Income tax and deferred tax

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized.

f) Provision for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving/non-moving inventories has been made in the financial statement

45 Derivatives not designated as hedging instruments

The Company evaluates the option of foreign exchange forward contracts to manage foreign exchange fluctuation risk. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings. Refer note 46 and 50 for detailed disclosure of unhedged/hedged items.

46 Foreign currency exchange rate risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and long term foreign currency borrowings. The Company cover its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and Company books forward contract against exports receivable. The company also avails bill discounting facilities in respect of export receivables. Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance. The major foreign currency exposures for the Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges all trade receivables upto a maximum of 12 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis. The following table sets forth information relating to foreign currency exposure from USD, EUR and GBP (which are not material) form non-derivative financial instruments:

(Rs. in Lakhs)

As at March 31, 2023	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	-	37.97	-	37.96
Vendor Advances	71.09	-	-	216.27	287.37
Total	71.09	-	37.97	216.27	325.34
Liabilities					
Trade Payable & others	181.60	-	-	-	181.60
Borrowings	1,201.75	-	-	-	1,201.75
Total	1,383.35	-	-	-	1,383.35
Net Assets/ (Liabilities)	(1,312.26)	-	37.97	216.27	(1,058.01)

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(Rs. in Lakhs)

As at March 31, 2022	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	1,234.24	8.04	-	1,242.27
Total	-	1,234.24	8.04	-	1,242.27
Liabilities					
Trade Payable & others	187.15	-	-	-	187.14
Borrowings	1,413.21	-	-	-	1,413.20
Total	1,600.36	-	-	-	1,600.32
Net Assets/ (Liabilities)	(1,600.36)	1,234.24	8.04	-	(358.05)

Sensitivity analysis

(Rs. in Lakhs)

Particulars	Foreign Currency Sensitivity							
	As at March 31, 2023				As at March 31, 2022			
	USD	EURO	GBP	SGD	USD	EURO	GBP	SGD
1 % Appreciation in INR								
Impact on Profit & Loss	13.12	-	(0.38)	(2.16)	16.00	(12.34)	(0.08)	-
1 % Depreciation in INR								
Impact on Profit & Loss	(13.12)	-	0.38	2.16	(16.00)	12.34	0.08	-

47 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and finance loans taken by wholly owned subsidiary company. 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 consists of 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. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which 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, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

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 and short-term debt obligations with floating interest rates.

The Company generally converts its borrowings in foreign currency, considering natural hedge it has against its export. All foreign currency debt obligations carry floating interest rates. Further, the Company also avails subvention benefits as MSME as it is registered under MSMED, Act.

Interest rate sensitivity

The Company's total interest cost the year ended March 31, 2023 was Rs.376.95 Lakhs and for year ended March 31, 2022 was Rs.279.88 Lakhs. 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 (Rs. In Lakhs)
March 31, 2023	0.50	(26.61)
	-0.50	26.61
March 31, 2022	0.50	(24.76)
	-0.50	24.76

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and long term foreign currency borrowings.

The Company cover its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and Company books forward contract against exports receivable. The company also avails bill discounting facilities in respect of export receivables.

Commodity price risk

The 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.

Commodity price sensitivity

The Company revises its prices to customers on quarterly basis by considering average raw materials prices prevailing in the previous quarter implying it passes through any increase in prices thereby minimising the impact on the profit and loss and equity of the Company.

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 deposits, foreign exchange transactions and other financial instruments.

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Expected credit loss and 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. One customer accounted for more than 10% of the total receivables as at March 31, 2023 and March 31, 2022. 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 grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data, past trend and standard percentage norms. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Company does not hold collateral as security. Majority of the export receivable are covered under the insurance cover. 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. For movement in expected credit loss allowance refer the below table:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.34	3.76
Add: Allowance for doubtful receivables made / (utilised) during the year	(0.34)	(3.42)
Closing balance	-	0.34

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:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year		
Borrowings (Current)	4,867.42	4,893.65
Trade and other payables	2,381.59	2,136.36
Lease liabilities (Current)	5.93	33.56
Other financial liabilities	920.33	725.04
	8,175.26	7,788.61
1 to 5 years		
Borrowings (Non-current)	1,197.67	1,454.97
Lease liabilities (Non-current)	-	5.93
	1,197.67	1,460.90
Total	9,372.93	9,249.51

48 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. 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 borrowings that define the capital structure requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Company monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

(Rs. in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Total debt*	6,065.09	6,348.62
Total capital (total equity other than OCI)	11,236.83	9,371.73
Net debt to equity ratio	0.54	0.68

* Total debt = Non-current borrowings + current borrowings

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 March 31, 2023 and March 31, 2022.

49 Segmental disclosure

The Company is primarily engaged in manufacturing of closed die steel forgings & processing and Company is also into power generation from wind turbine which is supplied to Maharashtra State Electricity Distribution Company Limited (MSEDCL).

(Rs. in Lakhs)			
Particulars	Closed die forging and processing	Power generation	Total
49.1 Segment Revenue-Gross			
External revenue	24,389.94	197.68	24,587.62
Previous year	20,520.63	197.18	20,717.81

Particulars	Closed die forging and processing	Power generation	Total
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49.2	Segment Results			
	Segment total	3,037.69	115.80	3,153.49
	Previous year	2,050.50	114.80	2,165.30
	Unallocated corporate expenses net of unallocated income			95.84
	Previous year			(213.31)
	Finance costs			543.48
	Previous year			443.05
	Profit before tax			2,514.18
	Previous year			1,935.56
	Tax expense			649.05
	Previous year			511.61
	Profit for the year (before OCI)			1,865.13
	Previous year (before OCI)			1,423.95

	Particulars	Closed die forging and processing	Power generation	Total
49.3	Other information			
	Segment assets	18,285.45	1,496.83	19,782.28
	Previous year	17,198.23	1,031.18	18,229.41
	Unallocated corporate assets			759.12
	Previous year			811.31
	Segment liabilities	3,445.03	36.00	3,481.03
	Previous year	3,029.39	-	3,029.39
	Unallocated corporate liabilities			6,432.92
	Previous year			6,770.57
	Depreciation/amortization	562.96	56.11	619.07
	Previous year	526.96	56.16	583.11
	Capital expenditure	925.36	472.25	1,397.61
	Previous year	706.72	-	706.72

49.4 Secondary segment: Geographical information

i) Sales, service income and other operating revenue by geographical market:

(Rs. in Lakhs)

Locations		Year ended March 31, 2023	Year ended March 31, 2022
Within India		12,844.40	10,336.58
Outside India		11,743.22	10,381.23
Total		24,587.62	20,717.81

Note: Revenue within India includes sales to customers located within India and revenue outside India includes sales to customers located outside India.

ii) Trade receivable at year end

(Rs. in Lakhs)

Locations		As at March 31, 2023	As at March 31, 2022
India		1,216.00	1,348.07
Outside India		4,936.38	4,674.46
Total		6,152.38	6,022.54

Note: Above figures are net of provision Rs. Nil (Previous year: Rs. 0.34 Lakhs)

- iii) Reliance on major customers:** One customer represents more than 10% of the total revenue. Total revenue from this major customer amounts to Rs. 2,520.09 Lakhs. In case of previous year also, one customer represented more than 10% of total revenue whose revenue amounted to Rs. 3,655.60 Lakhs.

Notes:

- a) The operating segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.
- b) The business segment comprise the following:
 - a) Closed Die Forging and Processing
 - b) Power Generation
- c) The geographical information considered for disclosure are: Sales within India and Sales outside India

50 Hedge Accounting

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company's manages currency risk as per trends and experiences. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge
Hedging Instrument and Hedge Item:

(Rs. in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount	Changes in amount of fair value	Hedge Maturity Date	Disclosure in Balance Sheet
Foreign currency risk					
Trade Receivables hedged by Forward Contracts as at March 31, 2023	4,829.42	4,898.41	68.98	Upto March, 2024	Other current financial liabilities
Trade Receivables hedged by Forward Contracts as at March 31, 2022	4,702.47	4,838.40	135.93	Upto March, 2023	Other current financial assets

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i) The following are the outstanding forward contracts:

Currency	Buy/Sell	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)
		As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
USD	Sell	47.75	3,923.93	56.90	4,427.72
EURO	Sell	10.89	974.48	4.63	410.68

ii) Foreign Currency exposure not hedged by forward contracts are given below:

Particulars	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)
	As at March 31, 2023		As at March 31, 2022	
A) Trade Receivables and Vendor advances				
EURO (Trade receivables)	-	-	14.65	1,234.24
GBP (Trade receivables)	0.37	37.97	0.08	8.04
SGD (Vendor advances)	3.50	216.27	-	-
USD (Vendor advances)	0.87	71.09	-	-
B) Trade Payables				
USD	2.21	181.60	2.47	187.15
C) Borrowings				
USD	14.63	1,201.75	18.65	1,413.21

51 Expenditure on research & development (charged to statement of P & L)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Professional fees	16.04	9.53
Tours & travels	0.34	0.06
Motor car expenses	1.18	1.91
Repairs & maintenance	1.14	6.27
Materials stores & spares	4.39	12.00
Other expenses	1.07	2.02
Total	24.16	31.79

52 CSR expenditure

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Amount required to be spent by the company during the year	35.09	32.97
(b) Amount of expenditure incurred during the year	35.30	39.31
i) On specified purposes	35.30	39.31
(c) Shortfall at the end of the year	-	-
(d) Total of previous year's shortfall (refer note below)*	-	-
(e) Reason for shortfall	N.A.	N.A.
(f) Nature of CSR activities	Health Care Education and Skill Development Ensuring environmental sustainability, ecological balance	

(Refer note 55.2 for cash flow on account of CSR expenditure)

*Note- During the previous year, unspent amount of earlier year has been spent.

53 Defined benefits and other long term benefit plans
(a) Gratuity plan
Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided on the employee's length of service and salary retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefits payments.

I. Liability risks
(a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increase provided at management's discretion may lead to uncertainties in estimating this increasing risk.

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II. Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan. The principal assumptions used in determining gratuity for the company's plan is shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality table	IALM (2012-14) Ult	IALM (2012-14) Ult
Discount rate	7.44%	7.25%
Expected rate of return on plan assets	7.44%	7.25%
Rate of increase in compensation levels	5.00%	5.00%
Expected average remaining working lives (in years)	10.00	14.00
Employee attrition rate	For Service 2 yr & below: 20% p.a For Service 3 to 4 yr: 20% p.a For Service 5 yr & above: 4% p.a	2.00%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	614.28	524.30
Interest expense	44.53	35.18
Current service cost	41.01	38.73
Benefits (paid)	(54.00)	(20.20)
Remeasurements on obligation [Actuarial (Gain)/Loss]	54.08	36.27
Closing defined benefit obligation	699.90	614.28

Changes in the fair value of plan assets recognised in balance sheet are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	681.22	550.10
Interest income	49.39	36.91
Contributions	57.04	73.30
Benefits paid	(54.00)	(20.20)
Return on plan assets, excluding amount recognised in interest income-Gain/(Loss)	(7.59)	41.11
Closing fair value of plan assets	726.06	681.22

Net Interest (Income/Expense)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest (Income)/Expense - Obligation	44.53	35.18
Interest (Income)/Expense - Plan assets	(49.39)	(36.91)
Net Interest (Income)/Expense for the year	(4.86)	(1.73)

Remeasurement for the year [Actuarial(Gain)/Loss]

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Experience (Gain)/Loss on plan liabilities	50.73	34.13
Demographic (Gain)/Loss on plan liabilities	10.20	-
Financial (Gain)/Loss on plan liabilities	(6.85)	2.14

Amount recognised in statement of other comprehensive income (OCI)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement for the year - obligation (Gain)/Loss	54.08	36.27
Remeasurement for the year - plan assets (Gain)/Loss	7.58	(41.11)
Total Remeasurement cost/(credit) for the year recognised in OCI	61.66	(4.84)

The amounts to be recognised in the Balance Sheet

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the end of the year	699.90	614.28
Fair value of plan assets as at the end of the year	726.06	681.22
Net asset/(liability) to be recognised in balance sheet	26.16	66.94

Expense recognised in the Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	41.01	38.73
Sub Total	41.01	38.73
Net Interest (Income)/Expense	(4.86)	(1.73)
Net periodic benefit cost recognised in the statement of profit and loss	36.15	37.00

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Reconciliation of net assets/(liability) recognised:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Net asset/(liability) recognised at the beginning of the year	66.94	25.80
Company contributions	57.04	73.30
Expense recognised at the end of year	(36.15)	(37.00)
Amount recognised outside profit & loss for the year (OCI)	(61.66)	4.84
Net asset/(liability) recognised at the end of the year	26.17	66.94

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by insurer	100%	100%

Sensitivity analysis:

- A) Impact of change in discount rate when base assumption is decreased / increased in present value of obligation

(Rs. in Lakhs)

Discount rate	As at March 31, 2023	As at March 31, 2022
Decrease by 1%	41.68	43.44
Increase by 1%	(37.56)	(38.65)

- B) Impact of change in salary increase rate when base assumption is decreased/increased in present value of obligation

(Rs. in Lakhs)

Salary increment rate	As at March 31, 2023	As at March 31, 2022
Decrease by 1%	(43.79)	(39.70)
Increase by 1%	48.20	44.13

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments [gross liability] to the defined benefit plan in future years:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	73.75	63.22
After one year but not more than five years	290.82	201.60
After Five years but not more than ten years	400.39	358.53

(b) Leave benefits

Liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy/rules of the Company. The total liability for leave benefits as at year end is Rs.142.23 Lakhs (Previous year: Rs.144.83 Lakhs).

(c) Bifurcation of liability as per Schedule III of the Companies Act 2013:

Particulars	Gratuity		Leave benefits	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Current Assets	26.17	66.95	-	-
Current liability	-	-	(64.55)	(48.17)
Non-current liability	-	-	(77.68)	(96.66)
Net liability/assets	26.17	66.95	(142.23)	(144.83)

54 Defined contribution plan

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund and ESIC. Under the defined contribution plan, provident fund, ESIC and LWF is contributed to the government administered fund. The Company has no obligation, other than the contribution payable to the provident fund, Pension fund, ESIC and LWF.

(Rs. in Lakhs)

Particulars	2022-2023	2021-2022
Provident fund	40.19	36.97
Pension fund	71.23	65.45
Employees' state insurance (ESIC)	6.35	10.21
Labour welfare fund (LWF)	0.39	0.41
Total	118.16	113.04

55 Cash flow statement related

55.1 Aggregate outflow on account of direct taxes paid (net of refund) is Rs. 732.67 Lakhs (Previous year: Rs. 574.03 Lakhs).

55.2 Net cash inflow from operating activity netted off with expenditure on Corporate Social Responsibility (CSR) expenditure of Rs 35.30 Lakhs (Previous year: Rs. 39.31 Lakhs) (Refer note 52).

55.3 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at March 31, 2022	Cash flows	Non cash changes	As at March 31, 2023
Short term borrowings	4,893.65	(33.85)	7.61	4,867.42
Lease liabilities	39.49	(36.00)	2.44	5.93
Long term borrowings	1,454.97	(248.64)	(8.65)	1,197.67
Total liabilities from financing activities	6,388.11	(318.49)	1.40	6,071.02

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(Rs. in Lakhs)

Particulars	As at April 01, 2021	Cash flows	Non cash changes	As at March 31, 2022
Short Term Borrowings	3,447.92	1,459.01	(13.27)	4,893.65
Lease liabilities	69.87	(36.00)	5.62	39.49
Long Term Borrowings	1,906.29	(470.61)	19.17	1,454.97
Total Liabilities from financing activities	5,424.08	952.40	11.52	6,388.11

56 Ratios

Particulars	Formulae used (Numerator / Denominator)	Ratio		% Change	Reason for change more than 25%
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	
(a) Current ratio	Current Assets/ Current Liabilities	1.30	1.31	-0.35%	N.A.
(b) Debt equity ratio	Debt/ Equity	0.57	0.69	-17.37%	N.A.
(c) Debt Service Coverage Ratio	Earning for debt service/ Debt Service	2.37	1.44	65.44%	Increase in earnings for the company during the year and outstanding borrowings reduced as compared to previous year.
(d) Return on Equity Ratio	Net Income/ Avg Equity	19	17	13.57%	N.A.
(e) Inventory turnover ratio	Net Sales/ Avg Inventory	6.68	6.83	-2.28%	N.A.
(f) Trade Receivables turnover ratio	Net Credit Sales/ Avg Trade Receivables	4.04	3.89	3.91%	N.A.
(g) Trade payables turnover ratio	Net Purchase/ Avg Trade Payables	5.30	5.45	-2.87%	N.A.
(h) Net capital turnover ratio	Net Sales/ Working Capital	9.82	8.58	14.44%	N.A.
(i) Net profit ratio	Net Profit/ Sales	7.59	6.87	10.37%	N.A.
(j) Return on Capital employed	EBIT/ Capital Employed (comprising of net worth + total debt + deferred tax liability)	18.73	15.72	19.19%	N.A.
(k) Return on investment	Interest income / Average of Loan given to WOS	6.73	5.24	28.60%	On account of increase in interest rate for loan given to WOS during the year.

- 57 The Board of directors has recommended a final dividend of Re.1 per equity share on face value of Rs. 10/- each for Financial Year 2022-23 on board meeting held on May 10, 2023, subject to approval of shareholders in ensuing Annual General Meeting. The total estimated equity dividend to be paid is Rs. 172.70 Lakhs.
- 58 The Company is in process of filling up casual vacancy arised due to demise of one of the Independent directors of the Company within the prescribed time limits.
- 59 **Subsequent Events:** There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.
- 60 As on March 31, 2023, the Company has not been declared wilful defaulter by any bank/ financial institution or other lender.
- 61 The Company is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.
- 62 The Company has not advanced any funds or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- The Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
- 63 No proceedings have been initiated or are pending against the Company as on March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 64 The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence no disclosure is required.
- 65 The Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Pradeep Metals Limited
Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pradeep Metals Limited** (hereinafter referred to as "the Holding Company") and wholly owned subsidiary and step down subsidiary [the Holding Company and its wholly owned subsidiary (WOS) and step down subsidiary (SDS) together referred to as "the Group"] comprising the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (together referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs of the group, as at March 31, 2023, and their consolidated profit including other comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Reference is invited to

In respect of Step Down Subsidiary (SDS);

- a. Note 4.12 of the consolidated financial statement. 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.135 Lakhs for the year ended March 31, 2023 (aggregate impairment provision up to year ended March 31, 2023 Rs.810 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 March 31, 2023;
- b. Note 7.2 of the consolidated financial statement. In respect of inventory: (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.

Our opinion is not modified in the above matters. The matters covered in para 2 above, were also reported under 'Emphasis of Matter' paragraph in our audit report for the year ended March 31, 2023 and our opinion was not modified in previous year also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Inventory valuation (WIP)

Holding Company:

The nature of items produced by the Holding Company are customized and are unique (i.e. non standardized items), this poses a challenge of inventory valuation especially in respect of in work-in-progress (WIP). As at March 31, 2023, WIP value is Rs.2,143.50 Lakhs. The Holding Company has multiple control points which include detailed recording of movement of WIP items in ERP System, periodical physical verification and ascertainment of stage of WIP by the management.

As part of our audit procedures, we have performed test verification of the closing inventory and also performed analytical test to validate the closing stock quantities and values of WIP. Our analytical test included (a) verification of the overall input-output ratio and inquiring the reasons for difference between standard and actual consumption & yield, (b) verifying the accuracy of the closing stock valuation work sheets (c) basis of ascertainment of stage of completion and (d) assessing the accuracy and completeness of the information used by management in comparing the cost of WIP inventory with net realizable value. The deviations were not significant and satisfactory explanation was provided to us.

Other matters

We did not audit the financial statements of WOS and SDS for the year ended March 31, 2023 included in the consolidated statement, whose financial statements reflect total assets of Rs.9,952 Lakhs as at March 31, 2023, total revenues (including other income) of Rs. 6,525 Lakhs and share of total profit after tax amounting to Rs. 231 Lakhs for year ended March 31, 2023, and net cash outflow of Rs. 172 Lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements. We have carried out limited review of the unaudited standalone financial statements of WOS and SDS for the year ended March 31, 2023. The unaudited financial statements / financial information of WOS and SDS are certified by the Company's management and have been prepared by the Company in accordance with Ind AS. Our opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the statement as stated in this paragraph, is based solely on such management certified unaudited financial statements. Our opinion on the consolidated financial results is not modified in respect of the above matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application

of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company (where applicable) has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit for the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 (except in case of one Independent director of the Holding Company from whom representation could not be obtained due to his demise on April 12, 2023) taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company has subsidiary companies (WOS and SDS) incorporated outside India, hence, Section 164(2) of the Act is not applicable to the WOS and SDS.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, considering that WOS and SDS are incorporated outside India, such reporting requirements are not applicable to WOS and SDS. In respect of the Holding Company, our report on adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls is as per Annexure A;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Holding Company to its directors for the year ended March 31, 2023 is in accordance with the provisions of section 197 read with Schedule V of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer note 34(A), 34(B), 34(C) and 34(D) to the consolidated financial statements
 - ii) The group did not have any long term contract including derivative contract for which there are any material foreseeable losses.
 - iii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no amounts which were required to be transferred to the

Investor Education and Protection Fund by the Holding Company. Further, the subsidiaries are incorporated outside India and hence, this reporting is not applicable to them.

- iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated outside India, whose financial statements have been audited / reviewed under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 57 to the consolidated financial statements);
- (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated outside India, whose financial statements have been audited / reviewed under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 57 to the consolidated financial statements);
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial Year ended March 31, 2023
- 2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we state that reporting under CARO is not applicable to WOS and SDS (foreign subsidiaries) of the Holding Company.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W / W100149

Bhavin Kapadia

Partner

Membership No.: 118991

UDIN: 23118991BGYZXX7259

Place: Mumbai

Date: May 10, 2023

Annexure A to Independent Auditors' Report of even date on the consolidated financial statements of Pradeep Metals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls over financial reporting of **Pradeep Metals Limited** ("the Holding Company") as of March 31, 2023 in conjunction with our audit of the consolidated financial statement of the Group for the year ended on that date. The Holding Company has subsidiary companies (WOS and SDS) incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary companies (WOS and SDS).

In respect of inventory (recording of WIP and allocation of overheads), internal financial controls need to be further strengthened to commensurate with the size of the Holding Company and nature of its business. This matter was reported in earlier year also.

In our opinion, read with our comment with respect to inventory above, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (continued...)

on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

Meaning of Internal Financial Controls over Financial Reporting

The Holding Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. The Holding Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W / W100149

Bhavin Kapadia

Partner

Membership No. 103286

UDIN: 23118991BGYZXX7259

Place: Mumbai

Date: May 10, 2023

Consolidated Balance Sheet as at March 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4.1	6,750.45	6,520.63
(b) Right of use assets	4.2	42.80	72.74
(c) Capital work-in-progress	4.6	450.49	174.94
(d) Other intangible assets	4.1	232.72	276.11
(e) Goodwill on consolidation		147.67	147.67
(f) Financial assets			
(i) Other financial assets	5	99.11	48.13
(g) Income tax assets (net)		168.69	89.09
(h) Other assets	6	912.15	624.42
		8,804.08	7,953.73
II. Current assets			
(a) Inventories	7	5,789.07	5,180.91
(b) Financial assets			
(i) Trade receivables	8	5,400.98	5,106.76
(ii) Cash and cash equivalents	9	152.87	305.48
(iii) Bank balances other than (ii) above	9	54.56	48.70
(iv) Loans	10	9.35	16.91
(v) Other financial assets	11	234.11	317.75
(c) Other assets	12	431.64	454.09
		12,072.58	11,430.60
TOTAL ASSETS		20,876.66	19,384.33
EQUITY AND LIABILITIES			
III. Equity			
(a) Equity share capital	13	1,727.00	1,727.00
(b) Other equity	14	7,716.56	5,789.49
TOTAL EQUITY		9,443.56	7,516.49
LIABILITIES			
IV. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	37	-	5.93
(ib) Term loan	15	2,111.25	2,523.91
(b) Provisions	16	77.68	96.66
(c) Deferred tax liabilities (net)	17.4	281.90	338.93
		2,470.83	2,965.43
V. Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	37	5.93	33.56
(ib) Term loan	18	5,156.44	5,521.04
(ii) Trade payable	19		
(A) Due to micro and small enterprises		61.48	29.89
(B) Due other than to micro and small enterprises		2,576.60	2,425.38
(iii) Other financial liabilities	20	891.69	658.79
(b) Other liabilities	21	205.41	185.43
(c) Provisions	22	64.70	48.32
		8,962.24	8,902.41
TOTAL LIABILITIES		11,433.08	11,867.85
TOTAL EQUITY & LIABILITIES		20,876.66	19,384.33
Significant accounting policies & other notes	1 to 60		

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**
Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

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Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	23	26,779.11	22,080.19
Other income	24	258.95	453.58
Total Income		27,038.06	22,533.77
EXPENSES			
Cost of material consumed	25	12,288.10	11,101.81
Changes in inventories of work-in-progress, finished goods and scrap	26	(335.29)	(855.27)
Manufacturing expenses	27	5,551.75	4,519.55
Employee benefit expenses	28	3,442.05	2,764.21
Finance costs	29	656.05	488.97
Depreciation and amortization expense	4.1	848.08	771.71
Other expenses	30	1,244.95	1,117.75
Total Expenses		23,695.69	19,908.73
Profit before exceptional items and tax		3,342.37	2,625.03
Less: Exceptional items	31	107.45	135.00
Profit before tax		3,234.92	2,490.03
Tax expense:			
- Current tax		698.24	552.65
- Deferred tax		(57.03)	(42.33)
- Income tax of earlier years (net)		(29.11)	(17.71)
		612.11	492.61
Net Profit for the year (A)		2,622.82	1,997.42
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(losses) on defined benefit plans	32	(61.66)	4.84
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	15.52	(1.22)
Total (1)		(46.14)	3.62
(i) Items that will be reclassified to profit or loss			
-Exchange loss on translation of foreign operations (net)		(217.86)	(85.66)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total (2)		(217.86)	(85.66)
Other Comprehensive Income (1+2) (B)		(264.00)	(82.04)
Total Comprehensive Income (A+B)		2,358.82	1,915.38
Earnings per equity share			
(a) Basic (Face value of Rs. 10 each)	33	15.19	11.57
(b) Diluted (Face value of Rs. 10 each)	33	15.19	11.57
Significant accounting policies & other notes	1 to 60		

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

For and on behalf of the Board of Directors of

Pradeep Metals Limited

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

Consolidated Cash Flow Statement for the year ended March 31, 2023

(Rs. in Lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before taxation	3,234.92	2,490.03
	Adjustments for:		
	Depreciation and amortization	848.08	771.71
	Allowance for doubtful debts utilised	(0.35)	(3.42)
	Balances written back	(3.19)	(64.55)
	Provision for doubtful sales tax receivable	-	4.99
	Unrealised foreign exchange loss / (gain)	105.28	(182.05)
	Provision for slow-moving / non-moving inventories	80.57	75.79
	Provision for doubtful advances / (utilised)	1.20	(0.70)
	Provision for contingency	-	10.10
	PPP relief forgiven / utilised	-	(71.00)
	Loss on sale of fixed asset (net)	39.61	39.02
	Impairment of investment / goodwill (exceptional item)	135.00	135.00
	Interest expenses	656.05	488.97
	Interest income	(2.25)	(0.91)
		1,859.99	1,202.93
	Operating profit before changes in assets and liabilities	5,094.92	3,692.96
	Movements in working capital : [Current and Non-current]		
	Increase in loans and advances and other current assets	(72.14)	(187.88)
	Increase in inventories	(688.73)	(1,474.79)
	Increase in trade receivable	(288.15)	(838.69)
	Increase in trade payable, other current liabilities and provisions	362.91	606.47
		(686.11)	(1,894.89)
		4,408.80	1,798.07
	Adjustment for:		
	Direct taxes paid (net of refund)	(733.05)	(574.79)
	Net cash generated from operating activities...(A)	3,675.75	1,223.28
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, plant & equipment (tangible / intangible) (including capital advances and work-in-progress)	(1,871.94)	(2,060.50)
	Sale of Property, plant & equipment	19.77	16.17
	Increase in other bank balances and non-current assets [other than cash and cash equivalent]	(5.86)	(20.42)
	Proceeds from sale of Investment	-	0.05
	Interest received	2.25	0.91
		(1,855.78)	(2,063.77)
	Adjustment for:		
	Direct taxes paid [including tax deducted at source]	(0.17)	(0.06)
	Net cash used in investing activities...(B)	(1,855.95)	(2,063.83)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowing	380.96	1,693.39
	Repayment of long term borrowing	(1,257.09)	(1,897.23)
	Repayment of lease liabilities	(36.00)	(73.50)
	Increase in working capital loan (Net)	19.58	1,861.35
	Dividend paid	(429.11)	(172.70)
	Interest paid on loans	(650.74)	(493.31)
	Net cash generated / (used) from financing activities...(C)	(1,972.40)	918.00
	Net increase / (decrease) in cash and cash equivalents...(A + B + C)	(152.61)	77.45
	Cash and cash equivalents at the beginning of the year	305.48	228.03
	Cash and cash equivalents at the end of the year	152.87	305.48
	Net increase / (decrease) in cash and cash equivalents	(152.61)	77.45
	Significant accounting policies & other notes	1 to 60	

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

Consolidated Statement of changes in equity for the year ended March 31, 2023

Particulars		Attributable to Owners						Total (A+B)	(Rs. in Lakhs)		
		Reserves and surplus (B)				Other Comprehensive				Total Other Equity (B)	
		Equity share capital (A)	Securities Premium	Capital Reserve	General reserves	Retained earnings	Foreign currency translation reserve				Income (C)
For the year ended March 31, 2022											
	Balance at April 01, 2021	1,727.00	515.98	13.94	211.60	3,328.05	(61.38)	38.63	4,046.82	5,773.82	
	Profit for the year	-	-	-	-	1,997.41	-	-	1,997.41	1,997.41	
	Remeasurements gains on defined benefit plan	-	-	-	-	-	-	3.62	3.62	3.62	
	Exchange differences on translation of foreign operations & adjustments	-	-	-	-	-	(85.66)	-	(85.66)	(85.66)	
Transaction with owners in their capacity as owners											
	Final equity dividend (FY 2020-21)	-	-	-	-	(172.70)	-	-	(172.70)	(172.70)	
	Balance as at March 31, 2022	1,727.00	515.98	13.94	211.60	5,152.76	(147.04)	42.25	5,789.49	7,516.49	
For the year ended March 31, 2023											
	Balance at April 01, 2022	1,727.00	515.98	13.94	211.60	5,152.76	(147.04)	42.25	5,789.49	7,516.49	
	Profit for the year	-	-	-	-	2,622.82	-	-	2,622.82	2,622.82	
	Remeasurements loss on defined benefit plan	-	-	-	-	-	-	(46.14)	(46.14)	(46.14)	
	Exchange differences on translation of foreign operations & adjustments	-	-	-	-	-	(217.86)	-	(217.86)	(217.86)	
Transaction with owners in their capacity as owners											
	Interim equity dividend (FY 2022-23)	-	-	-	-	-	-	(259.05)	(259.05)	(259.05)	
	Final equity dividend (FY 2021-22)	-	-	-	-	-	-	(172.70)	(172.70)	(172.70)	
	Balance as at March 31, 2023	1,727.00	515.98	13.94	211.60	7,775.59	(364.90)	(435.64)	7,716.56	9,443.56	
Significant accounting policies & other notes					1 to 60						

Significant accounting policies & other notes

i) Securities premium

Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

ii) Capital reserve

Capital reserve represents capital surplus and not normally available for distribution as dividend.

iii) General reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iv) Retained earnings

Retained earnings represent the accumulated earnings net of losses, if any, made by the Group over the years.

v) Other comprehensive Income - Defined benefit obligation

The reserve represents the remeasurement gains / (losses) arising from the actuarial valuation of the defined benefit obligations of the Holding Company. The remeasurement gains / (losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

vi) Other comprehensive Income - Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the group's foreign operation from their functional currencies to the group's presentation currency (i.e. Rs.) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the investment is disposed-off.

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

For and on behalf of the Board of Directors of
Pradeep Metals Limited

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

Notes on Consolidated Ind AS financial statements for the year ended March 31, 2023

1. Background

Pradeep Metals Limited (hereinafter referred to as 'the Parent Company', 'the Company' or 'Holding Company') is a public Company incorporated in India. The Company's shares are listed on Bombay Stock Exchange in India. Holding Company together with its Wholly Owned Subsidiary ('WOS') and Step Down Subsidiary ('SDS') ('WOS and SDS are referred to as subsidiaries') is referred to as "the Group". The Group is engaged in the manufacturing and selling of forged and machined components for various sectors. The Group caters to both domestic and international markets.

The financial statements were authorized for issue in accordance with a resolution of the Directors on 10th May, 2023.

2. Basis of preparation

2.1. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 with relevant amendment rules issued thereafter and guidelines issued by the Securities and Exchange Board of India.

The unaudited financial statements / financial information of WOS and SDS were subject to limited review by the auditors of Holding Company and certified by the Holding Company's management and have been prepared in accordance with Ind AS.

The Group has consistently applied the accounting policies used in the preparation of its consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee, and
- c. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. The contractual arrangement with the other vote holders of the investee
- b. Rights arising from other contractual arrangements
- c. The Group's voting rights and potential voting rights
- d. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the

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subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The subsidiaries considered in consolidated financial statements and its country of incorporation is as tabulated below:

Sr. no.	Name of the entity	Country of incorporation	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiary)	
			As at March 31, 2023	As at March 31, 2022
(A)	Wholly Owned Subsidiary company [WOS]			
1.	Pradeep Metals Limited Inc.	USA	100%	100%
(B)	Step Down Subsidiary [SDS]			
1.	Dimensional Machine Works, LLC	USA	100%	100%

Consolidation Procedure

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Ind AS 103 - Business combinations explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) Consolidated Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
- (e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
 - i. Derecognizes the assets (including goodwill) and liabilities of the subsidiary

- ii. Derecognizes the carrying amount of any non-controlling interests
- iii. Derecognizes the cumulative translation differences recorded in equity
- iv. Recognizes the fair value of the consideration received
- v. Recognizes the fair value of any investment retained
- vi. Recognizes any surplus or deficit in the consolidated statement of profit and loss
- vii. Reclassifies the parent's share of components previously recognized in OCI to the consolidated statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3. Functional and presentation currency

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are prepared in Indian Rupees which is also the Holding Company's functional currency. All amounts are rounded to the nearest rupees in Lakhs.

2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 - Fair Value Measurement".

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of consolidated financial statements and reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

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. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and intangible assets

The Group has estimated the useful life, residual value and method of depreciation / amortization of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Group. Further, the Group has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortization and decommissioning costs are critical to the Group's financial position and performance.

ii) Recognition of "Right of use" of assets as per the requirement of Ind AS 116 (Refer note 3.13, 4.2, 37)

iii) Impairment of non-financial assets

The Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or (Cash Generating Unit) CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Group's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

vi) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the consolidated statement of profit and loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Group has recognized the deferred tax on unused tax losses / unused tax credits only to the extent of the corresponding deferred tax liability. Any increase in probability of future taxable profit will result into recognition of unrecognized deferred tax assets.

vii) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on management policy for increase in basic salary.

viii) 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.

ix) 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.

x) Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use

and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Group has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Group believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Group and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate. On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Significant Accounting Policies

3.1. Presentation and disclosure of consolidated financial statement

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

3.2. Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 - Financial Instruments, is measured at fair value with changes in fair value recognized in the consolidated statement of profit and loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and subsequent its settlement is accounted for within equity. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the consolidated statement of profit and loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.3. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in consolidated statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013, except for the plant and machinery as per the table given below, for which on the basis of internal technical assessment made by the management, the depreciation has been provided considering the useful life of the plant.

The assets which have useful life different than as prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Particulars	Useful life
Machinery for heavy production/press/cranes etc.	15 Years
Dies	10 Years
R&D equipment (Microwave)	2 Years
Other machineries	8 Years
Second hand CNC machines	10 Years
Individual assets whose cost does not exceed five thousand rupees	Nil Depreciated fully in the year of capitalisation

The useful lives of the property, plant and equipment not covered in table above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Factory Building on leasehold land (period lower than the lease period)	30 Years
Electrical Installation	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture & fittings	10 Years
Motor Vehicles	8 Years
Windmill	22 Years

The assets of WOS and SDS are depreciated considering the following useful life:

Particulars	Useful life
Building	30 Years
Plant & Machinery	7 Years
Furniture and Fixtures	10 Years
Office equipments	5 Years
Second hand vehicles	5 Years
Computers	3 Years

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each Financial Year end and adjusted prospectively.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". Cost of assets under construction / acquisition / not put to use at the Balance Sheet date are disclosed under "Capital work-in-progress"

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is de-recognized.

3.4. Intangible assets and amortization

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition / development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible Asset	Estimated useful life
(a) ERP Software	10 Years
(b) Other Software	3 Years
(c) Computer Software [SDS]	5 Years
(d) Microwave Composite Heating Furnace project (SDF Technology)	7 years

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.5. Research and development costs

Research costs are expensed as incurred. Development expenditures are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.6. Inventories

Inventories consists of raw materials, consumables, dies, work-in-progress and scrap. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost for raw material is determined on specific identification basis and other materials & consumables on weighted average method.

Work-in-progress & finished goods is valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis and costs of conversion which include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Dies are valued at cost or net realizable value whichever is less. Cost includes material cost and labour cost. Costs are determined on specific identification basis.

Scrap is valued at net realizable value.

3.7. Revenue recognition

The policies for Revenue as presented in the consolidated financial statements are as under:

- Revenue from operation
 - o The Group recognizes revenue when the amount can be reliably measured, to the extent it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.
 - o Sale of goods is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products are recorded at the transaction price allocated to that performance obligation, net of Goods and Service Tax (GST), returns and allowances, trade, volume & other discounts.

Accumulated experience is used to estimate and provide for turnover discounts, expected cash discounts, other eligible discounts, expected returns and incentives. No element of financing is deemed present as the sales are made with normal credit terms.

- o Revenue from export sales are recognized upon transfer of control of promised products to customers usually on the basis of dates of shipping bills or bill of lading depending on the shipment terms.
- o Sale of services is recognized upon rendering of services and revenue from fixed price, fixed time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized over the period of contract on pro-rata basis.
- o Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.
- o Export incentives / benefits are recognized as income in Consolidated Statement of Profit and Loss on export of goods based on fulfilling specified criteria's and also reasonable certainty of utilizing the benefit by import of goods / sale of license in open market.
- o Revenues from die design and preparation charges are recognized as per the terms of the contract as and when services are rendered.
- Other income
 - o Income from guarantee commission is recognized as a percentage of guarantee given on annual basis.
 - o Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders / board of directors approve the dividend as applicable.
 - o Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions. When the grant or subsidy relates to revenue, it is recognized as income or adjusted against expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted from the cost of the asset and the net amount of the asset is capitalized.

3.9. Foreign currency transaction

- Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items is recognized as income or expense in the year in which they arise.
- Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognized in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognized in consolidated statement of profit and loss or other comprehensive income is also recognized in consolidated statement of profit or loss or other comprehensive income respectively).

- Translation of foreign operations
Financial statements of foreign operations are translated as under:
 - a. Assets and Liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the average rate prevailing during the year.
 - b. Revenue and expenses at average rates prevailing during the year. Off Balance Sheet items are translated into Indian Rupees at year-end rates.
 - c. Exchange differences arising on translation are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

3.10. Employee benefits

- Short term employee benefits
All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the consolidated statement of profit and loss in the period in which the employee renders the related service.
- Post-employment benefits & other long term benefits
 - a. Defined contribution plan
The defined contribution plan is a post-employment benefit plan under which the Holding Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Holding Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Holding Company's contribution to defined contribution plans are recognized in the consolidated statement of profit and loss in the period in which the employee renders the related service.
 - b. Post-employment benefit and other long term benefits
The Holding Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits and long service rewards. Holding Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Provision for casual leave is made on arithmetic basis.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

The expected return on plan assets is the Holding Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognized under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognized when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the consolidated statement of profit and loss as income or expense.

3.11. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

3.12. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.13. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.14. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside consolidated profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside consolidated profit or loss.

Provision for current tax is made as per the provisions of governing tax laws. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

3.15. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.16. Cash flow statement

Cash flows are reported using the indirect method, where by consolidated net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.17. Provisions, contingent liabilities, contingent assets

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Group does not recognize a contingent asset but discloses its existence in the consolidated financial statements if the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.18. Earnings per share

Basic earnings per share is computed using the consolidated net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the consolidated net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive.

3.19. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through consolidated profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through consolidated profit or loss are recognized immediately in consolidated statement of profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

3.19.1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All

recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through consolidated profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in consolidated statement of profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not applicable if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to consolidated profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognized in consolidated statement of profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in consolidated profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in consolidated statement profit or loss. The net gain or loss recognized in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through consolidated profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in consolidated statement of profit and loss.

De-recognition of financial asset

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in consolidated statement of profit or loss if such gain or loss would have otherwise been recognized in consolidated statement of profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in consolidated statement of profit or loss if such gain or loss would have otherwise been recognized in consolidated statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

3.19.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in consolidated statement of profit or loss. The net gain or loss recognized in consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in consolidated profit or loss, in which case these effects of changes in credit risk are recognized in consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is always recognized in consolidated statement of profit or loss. Changes in fair value attributable to a

financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to consolidated statement of profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through consolidated profit or loss are recognized in consolidated statement of profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with

substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in consolidated statement of profit or loss.

3.20. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Notes on consolidated financial statements for the year ended March 31, 2023

4.1 As at March 31, 2023

(Rs. in Lakhs)

Particulars	Gross block			Depreciation / amortization / impairment					Net block			
	As at April 01, 2022	Additions	Deductions	Exchange Fluctuation	At March 31, 2023	For the year	On deductions	Impairment	Exchange Fluctuation	As at March 31, 2023	As at March 31, 2023	
Property, plant & equipment (Tangible assets)												
	Freehold land	327.68	99.22	-	22.81	449.71	-	-	-	-	449.71	
	Factory buildings (on leasehold land)	2,871.05	239.75	-	92.69	3,203.49	118.63	-	-	1.50	2,753.55	
	Plant and machinery (P&M)	3,781.93	499.62	185.51	83.68	4,179.72	428.43	150.37	224.61	58.57	2,052.75	
	Microwave machinery (R&D)	149.11	-	-	-	149.11	-	-	-	-	149.11	
	Windmill	1,246.21	-	-	-	1,246.21	56.11	-	-	-	391.93	
	Electrical installation	102.06	25.21	-	-	127.27	10.63	-	-	-	53.80	
	Office equipment	27.20	9.76	0.18	1.16	37.94	15.05	0.17	-	0.21	18.41	
	Computers	69.04	16.73	-	(11.54)	74.23	9.86	-	-	(2.02)	31.98	
	Furniture and fixtures	76.81	15.20	0.81	6.40	97.60	5.54	0.77	-	(0.76)	39.87	
	Vehicles	124.91	52.03	6.07	8.78	179.65	21.90	5.76	-	8.62	105.16	
	Dies	839.94	61.65	47.73	-	853.86	85.35	22.78	-	-	481.17	
	Leasehold improvement	43.55	-	-	3.66	47.21	-	-	-	3.66	47.21	
Sub-total (A)	9,659.49	1,019.17	240.30	207.64	10,646.00	751.50	179.85	224.61	69.78	3,895.55	6,750.45	
Intangible assets (Other than internally generated)												
	Software	128.94	20.51	-	2.25	151.70	23.22	-	-	(0.52)	94.82	56.88
	Goodwill	570.81	-	-	-	570.81	-	-	-	-	570.81	-
	Microwave Composite Heating Furnace (SDF Technology)	304.10	-	-	-	304.10	43.44	-	-	-	128.26	175.84
	Sub-total (B)	1,003.85	20.51	-	2.25	1,026.61	66.66	-	-	(0.52)	793.89	232.72
Total [(A) + (B)]	10,663.34	1,039.68	240.30	209.89	11,672.61	818.16	179.85	224.61	69.26	4,689.44	6,983.17	

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4.2 Right of use asset

(Rs. in Lakhs)

Particulars	Building	Leasehold Land	Total
Gross carrying value			
Balance as at March 31, 2021	122.27	248.84	371.11
Deletions in 2021-22	-	196.23	196.23
Foreign exchange fluctuation	-	(3.17)	(3.17)
Balance as at March 31, 2022	122.27	55.78	178.05
Additions in 2022-23	-	-	-
Balance as at March 31, 2023	122.27	55.78	178.05
Accumulated amortization			
Balance as at March 31, 2021	58.69	176.44	235.13
Charge for the year 2021-22	29.35	12.88	42.22
Deletions in 2021-22	-	174.68	174.68
Foreign exchange fluctuation	-	2.64	2.64
Balance as at March 31, 2022	88.04	17.28	105.31
Charge for the year 2022-23	29.35	0.60	29.94
Balance as at March 31, 2023	117.39	17.88	135.25
Net carrying amount			
Balance as at March 31, 2022	34.23	38.50	72.74
Balance as at March 31, 2023	4.88	37.90	42.80

4.3 Depreciation as per statement of profit & loss

(Rs. in Lakhs)

Particulars	2022-23	2021-22
Depreciation on property, plant & equipment and intangible assets	818.16	687.18
Depreciation on right of use assets	29.94	42.22
Depreciation on CWIP	-	42.31
Depreciation as per statement of profit & loss	848.10	771.71

4.4 Property, plant & equipment and intangible assets as at March 31, 2022

(Rs. in Lakhs)

Particulars	Gross block					Depreciation / amortization / impairment					Net block	
	As at April 01, 2021	Additions	Deductions	Exchange Fluctuation	As At March 31, 2022	As at April 01, 2021	For the period	On deductions	Impairment	Exchange Fluctuation	As At March 31, 2022	As At March 31, 2022
Property, plant & equipment (Tangible assets)												
Freehold land	56.70	265.72	-	5.26	327.68	-	-	-	-	-	-	327.68
Factory buildings (on leasehold land)	1,751.17	1,098.47	-	21.41	2,871.05	256.14	73.47	-	-	0.20	329.81	2,541.24
Plant and machinery (P&M)	3,468.47	557.03	279.33	35.76	3,781.93	1,411.54	361.12	209.48	100.26	11.66	1,675.10	2,106.83
Microwave machinery (R & D)	149.11	-	-	-	149.11	149.11	-	-	-	-	149.11	-
Wind mill	1,246.21	-	-	-	1,246.21	279.66	56.16	-	-	-	335.82	910.40
Electrical installation	92.38	9.68	-	-	102.06	34.95	8.22	-	-	-	43.17	58.90
Office equipment	7.49	20.44	1.00	0.27	27.20	1.43	2.81	0.91	-	-	3.32	23.88
Computers	51.31	19.57	1.97	0.13	69.04	18.03	7.99	1.93	-	0.05	24.14	44.90
Furniture and fixtures	72.62	4.11	-	0.09	76.82	28.31	7.48	-	-	0.07	35.86	40.97
Vehicles	115.98	14.35	6.50	1.08	124.91	68.85	16.96	6.17	-	0.76	80.40	44.51
Dies	869.53	65.86	95.45	-	839.94	383.00	89.99	54.39	-	-	418.60	421.34
Leasehold improvement	42.01	-	-	1.54	43.55	36.20	5.93	-	-	1.42	43.55	-
Sub-total (A)	7,922.98	2,055.23	384.25	65.54	9,659.50	2,667.22	630.14	272.88	100.26	14.16	3,138.87	6,520.64
Intangible assets (Other than internally generated)												
Software	99.48	28.51	-	0.95	128.94	61.58	13.60	-	-	(3.06)	72.12	56.82
Goodwill (refer note 4.12)	570.81	-	-	-	570.81	540.00	-	-	30.00	0.80	570.81	-
Microwave Composite Heating Furnace (SDF)	304.10	-	-	-	304.10	41.38	43.44	-	-	-	84.82	219.29
Sub-total (B)	974.39	28.51	-	0.95	1,003.85	642.96	57.04	-	30.00	(2.24)	727.75	276.11
Total [(A) + (B)]	8,897.37	2,083.74	384.25	66.49	10,663.35	3,310.18	687.18	272.88	130.26	11.92	3,866.62	6,796.75

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4.6 Movement of capital work-in-progress

(Rs. in Lakhs)

Particulars	2022-23				
	P & M	Land	Building	Others	Total
Opening capital work-in-progress	107.11	-	66.75	1.08	174.94
Add: Addition during the year	701.68	99.22	179.69	21.50	1,002.09
Less: Assets capitalized / reversed during the year	388.88	99.22	215.86	22.58	726.54
Closing capital work-in-progress	419.91	-	30.58	-	450.49

(Rs. in Lakhs)

Particulars	2021-22			
	P & M	Building	Others	Total
Opening capital work-in-progress	46.08	40.01	58.99	145.08
Add: Addition during the year	327.45	38.62	1.08	367.15
Less: Assets capitalized / reversed during the year	266.41	11.89	58.99	337.29
Closing capital work-in-progress	107.11	66.75	1.08	174.94

4.7 CWIP ageing schedule as at March 31, 2023

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	450.49	-	-	-	450.49

CWIP ageing schedule as at March 31, 2022

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	129.66	1.47	10.48	33.33	174.94

- 4.8** There are no capital work-in-progress where completion is overdue or exceeded its cost as compared to original plan as at March 31, 2023.

For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule as at March 31, 2022.

(Rs. in Lakhs)

CWIP	To be completed in (refer note 4.8.1 below)				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Executive floor*	37.95	-	-	-	37.95
Lift*	32.34	-	-	-	32.34
Total	70.29	-	-	-	70.29

4.8.1 *Executive floor and lift has been capitalised during the current year.

4.9 Details of remaining amortization period and carrying value of intangible assets is as given below:

Particulars	Carrying amount as at (Rs. in Lakhs)		Remaining useful life as at (months)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Epicore software	18.82	25.14	28	40
Microwave composite heating furnace (SDF Technology)	175.83	219.28	48	60
Other software's	38.07	31.69	11 to 24	11 to 24

4.10 First pari passu charge has been created on property, plant and equipment of the Holding Company (present and future)(excluding windmill) in respect of term loans taken by the Holding Company (Refer Note 15.1) and in respect of foreign currency term loan of Nil outstanding as on March 31, 2023 (Outstanding as on March 31, 2023 : USD 2.08 Million) taken by Pradeep Metals Limited, Inc. (Wholly Owned Subsidiary) in USA . Further, exclusive charge on Land and Building of Pradeep Metals Limited, Inc. (Wholly Owned Subsidiary) in respect of Foreign Currency term loan of USD 1.298 million outstanding as on March 31, 2023 (Outstanding as on March 31, 2022 : USD 1.598 million). Further, second charge has been created on the property, plant and equipment of the Holding Company for working capital facility availed by the Holding Company [Refer Note 18.1(i)].

4.11 Property, plant and equipment held under lease

In respect of step-down subsidiary, the gross and net carrying amounts of machine under finance lease are:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Cost	182.40	168.37
Accumulated depreciation	53.72	25.53
Exchange adjustment	(7.62)	2.75
Net carrying amount	121.06	145.57

4.12 Considering the accumulated losses in Step Down Subsidiary (SDS), provision for impairment of goodwill and tangible assets amounting to Rs. 135 Lakhs (USD 165,765) (Previous year: Rs. 135 Lakhs USD 180,629) has been made during the year ended March 31, 2023. 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 March 31, 2023.

5	Other non-current financial assets (Unsecured, considered good unless otherwise stated)	(Rs. in Lakhs)	
		As at March 31, 2023	As at March 31, 2022
	Security deposits	98.74	47.28
	Deposit with bank (under lien) having remaining maturity more than 12 months	0.37	0.85
	Total	99.11	48.13

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- 5.1 Bank deposits aggregating to Rs. 0.37 Lakh (Previous year : 0.85 Lakh) are under lien with bank towards guarantees issued by bank.

(Rs. in Lakhs)

6 Other non-current assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
Capital advances		
- Consider good	689.24	423.98
- Considered doubtful	50.00	50.00
	739.24	473.98
Less : Allowance for bad and doubtful advances	(50.00)	(50.00)
	689.24	423.98
Custom bond deposit	205.43	189.48
Amount Paid Under Protest (Refer 6.1 below)	10.10	10.10
Less : Provision for the above matter	(10.10)	(10.10)
	-	-
Prepaid expenses	17.48	10.96
Total	912.15	624.42

- 6.1 Pursuant to Hon'ble High Court order, the Holding Company had deposited back wages under protest amounting to Rs. 10.10 Lakhs (previous year: Rs. 10.10 Lakhs) in respect of ex-employees whose services were terminated in earlier years. As an abundant caution, the Holding Company had made contingency provision of Rs.10.10 Lakhs which had been charged to the Statement of Profit & Loss during the previous year. The quantum of final liability cannot be ascertained at this stage and will be based on the outcome of matter under dispute.

(Rs. in Lakhs)

7 Inventories (At lower of cost or net realisable value unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
Raw materials - Steel	1,697.78	1,532.11
Raw materials - Dies	117.24	57.58
Work-in-progress	2,383.65	2,018.02
Finished goods	982.91	854.18
Finished goods-in-transit	420.85	580.12
Stock in trade	30.77	0.70
Stores, spares and consumables	137.66	124.23
Scrap	18.21	13.97
Total	5,789.07	5,180.91

- 7.1 Considering impact on account of suspension of orders for navy products, in view of the management, the value of inventory of finished goods in SDS is reduced by Rs.80.57 Lakhs (USD 100,000). (Previous year: Rs.75.79 Lakhs, USD 100,000)
- 7.2 In case of SDS, 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 and hence provision is made as mentioned in note 7.1. Auditor's have relied on the management for the demand estimate and expected price realization.

- 7.3** In case of Holding Company, during the year ended March 31, 2023, Rs. 6.85 Lakhs (Previous year : Rs.46.25 Lakhs) was recognised as an expenses for inventories carried at net realisable value. Aggregate expenses charged to Statement of Profit and Loss amounts to Rs. 87.42 Lakhs (Previous year : Rs. 122.04 Lakhs).

(Rs. in Lakhs)

8 Trade receivables (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good	5,400.98	5,105.93
Considered doubtful	-	1.17
	5,400.98	5,107.10
Less: Allowance for doubtful debts	-	0.34
Total	5,400.98	5,106.76

- 8.1** No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
- 8.2** Trade receivables are non-interest bearing and are generally on terms of 30 to 270 days.
- 8.3** Trade receivable includes export bills aggregating to Rs. 299.69 Lakhs (Previous year : Rs. 265.96 Lakhs) purchased / discounted by the bank but pending realisation as on the date of the Balance Sheet & disclosed under working capital (short term borrowing). The Holding Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Holding Company has retained the late payment and credit risk.
- 8.4** Refer note 43 for policy on expected credit loss
- 8.5** The Holding Company has registered under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. The relevant provisions in respect of receivable are applicable to the Holding Company.

8.6 Trade receivables ageing schedule as at March 31, 2023

(Rs. in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	4,893.65	424.01	83.32	-	-	-	5,400.98
Total	4,893.65	424.01	83.32	-	-	-	5,400.98

Trade receivables ageing schedule as at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	3,964.31	1,100.62	41.00	-	-	-	5,105.93
(ii) Undisputed trade receivables – considered doubtful	-	1.03	0.02	0.11	-	-	1.17
Total	3,964.31	1,101.65	41.02	0.11	-	-	5,107.10

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(Rs. in Lakhs)

9	Cash and cash equivalents and other bank balances	As at March 31, 2023	As at March 31, 2022
	Cash and cash equivalents		
	Balances with banks		
	- In current accounts	151.08	304.22
	Cash in hand	1.79	1.26
	Total	152.87	305.48
	Other bank balances		
	- In fixed deposits having remaining maturity less than 12 months	35.94	32.72
	- Earmarked balances (on unpaid dividend account)	18.62	15.98
	Total	54.56	48.70

9.1 Bank deposits earns interest at fixed rates.

9.2 Bank deposits aggregating to Rs. 35.94 Lakhs (Previous year : Rs. 32.72 Lakhs) are under lien with banks towards guarantees issued by bank.

(Rs. in Lakhs)

10	Loans (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Other loans		
	Loan to employees	9.35	16.91
	Total	9.35	16.91

10.1 No loans and advances are due from directors or other officers of the Group either severally or jointly with any other person.

10.2 Loans are non derivative financial assets which generate fixed interest income for the Group. The carrying value may be affected by changes in the credit risk of the counter party.

(Rs. in Lakhs)

11	Other current financial assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
	Export incentive receivable	110.11	210.95
	Sales tax refund receivable		
	- Considered good	-	-
	- Considered doubtful	-	4.99
		-	4.99
	Less: Provision for Doubtful Sales Tax Receivable	-	(4.99)
		-	-
	Amount recoverable from customers (Dies)	37.37	42.20
	Foreign currency forward contract receivable (net)	-	28.90
	Interest accrued on fixed deposits	0.20	0.02
	Other receivables (includes refund receivable from bank)	86.43	35.68
	Total	234.11	317.75

11.1 Break up of financial assets carried at amortised cost

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans (Refer note 10)	9.35	16.91
Other financial assets (Refer note 5 & 11)	333.21	365.88
Trade receivables (Refer note 8)	5,400.98	5,106.76
Cash & cash equivalents (Refer note 9)	152.87	305.48
Other bank balance (Refer note 9)	54.56	48.70
Total	5,950.97	5,843.73

(Rs. in Lakhs)

12 Other current assets (Unsecured, considered good unless otherwise stated)	As at March 31, 2023	As at March 31, 2022
Advance to suppliers (other than capital advance)	9.44	0.73
Considered doubtful	1.20	-
	10.64	0.73
Less:- Allowance for bad and doubtful advances	1.20	-
	9.44	0.73
Input tax credit receivable (including refund receivable)	258.22	286.83
Prepaid expenses	137.83	99.58
Advance contribution towards gratuity fund	26.15	66.95
Total	431.64	454.09

12.1 No advances are due from directors or other officers of the Group either severally or jointly with any other person.

13 Share capital

(Rs. in Lakhs except share & per share data)

13.1 Authorised capital	As at March 31, 2023	As at March 31, 2022
Equity share capital		
18,500,000 (Previous year : 18,500,000) Equity Shares of Rs. 10 each	1,850.00	1,850.00
Preference share capital		
550,000 (Previous year : 550,000) Preference Shares of Rs. 100 each	550.00	550.00
Total	2,400.00	2,400.00

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(Rs. in Lakhs except share & per share data)

13.2 Issued, subscribed and paid-up capital	As at March 31, 2023	As at March 31, 2022
Issued 17,270,000 (Previous year : 17,270,000) Equity Shares of Rs. 10 each	1,727.00	1,727.00
Issued, subscribed and paid-up 17,270,000 (Previous year : 17,270,000) Equity Shares of Rs. 10 each	1,727.00	1,727.00
Total	1,727.00	1,727.00

- 13.3** The Holding Company (Pradeep Metals Limited) has only one class of issued shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.4 Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year	As at March 31, 2023	As at March 31, 2022
Shares outstanding at beginning of the year	17,270,000	17,270,000
Changes during the year	-	-
Shares outstanding at the end of the year	17,270,000	17,270,000

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13
Mrs. Neeru P. Goyal	919,927	5.33	919,927	5.33
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03

13.6 Shares held by ultimate Holding Company

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03

13.7 Shares held by promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Mr. Pradeep Goyal	1,576,400	9.13	1,576,400	9.13	-	-
Mrs. Neeru P. Goyal	919,927	5.33	919,927	5.33	-	-
Nami Capital Private Limited	10,194,456	59.03	10,194,456	59.03	-	-

14 For details of Other equity, refer Consolidated Statement of changes in equity.

(Rs. in Lakhs)

15 Borrowings (Non-current)	As at March 31, 2023	As at March 31, 2022
Secured		
Term loans		
From banks		
- Foreign currency loan (Refer note 15.1 (i) below)	787.83	1,027.81
- Rupee loan (Refer note 15.1 (i) below)	409.84	427.16
- Vehicle loan (Refer note 15.1 (iv) below)	30.22	-
- Term loans (Refer note 15.1 (ii) below)	804.33	966.18
- Machinery loan (Refer note 15.1 (iii) below)	79.03	102.76
Total	2,111.25	2,523.91

15.1 Details of security provided

- (i) In case of Holding Company, all term loans (Foreign currency loans & Rupee loans) are secured by first charge on freehold land, leasehold factory building (with land) and windmill and second charge on entire current assets of the Company (Refer note 4.10). The loans are further secured by personal guarantee of Chairman and Managing Director of the Holding Company.
- (ii) In case of WOS,
 - (a) Term Loan amounting to Rs. 1,050.84 Lakhs (Previous year: Rs. 1,193.56 Lakhs) is secured by (a) exclusive charged on Land and Building of WOS (b) irrevocable corporate guarantee of the Holding Company (c) Personal Guarantee of Chairman and Managing Director of the Holding Company.
 - (b) Term loan of Rs. Nil (Previous year: Rs. 362.99 Lakhs) 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 in Wholly Owned Subsidiary (WOS), (c) pledge of over 30% membership interest and non-disposal undertaking of 21% membership interest held by WOS in SDS and (d) Personal guarantee of Chairman and Managing Director of the Holding Company. This loan has been fully repaid during the year. Subsequent to the year end, the Company has complied with necessary formalities to release the pledge for said facility.
- (iii) In case of SDS, finance lease obligation for machine is secured by personal guarantee given of Director of the SDS.
- (iv) Vehicle loan is secured against security of vehicle financed and further secured by personal guarantee of Director of SDS.

15.2 Terms of repayment and maturity profile of the term loan is as set out below:

(Rs. in Lakhs)

Borrowings	Interest Rates	As at March 31, 2023	As at March 31, 2022
Term loan XII (INR) Current year- Nil (Previous year: 1) quarterly installments of Rs. 18 Lakhs & 1 installment of balance amount	1YMCLR+1.00% (Currently 8.25% p.a.)	-	34.86
Foreign currency term loan XI Current year- Nil (Previous year: 4) quarterly installments of Rs. 50 Lakhs each & 1 installment of balance amount	6M SOFR+2.00% (Currently 5.1090% p.a.)	-	202.28

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(Rs. in Lakhs)

Borrowings	Interest Rates	As at March 31, 2023	As at March 31, 2022
Term loan XIII Repayable in 2 (Previous year: 5) quarterly installments of Rs. 22.50 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.25% p.a.)	69.81	182.31
Term loan XIV Repayable in 1 (Previous year: 4) installment of balance amount of Rs. 3.70 Lakhs	1YMCLR+1.00% (Currently 9.25% p.a.)	3.70	34.30
Foreign currency term loan XIV Repayable in 2 (Previous year: 4) quarterly installments of Rs. 16.50 Lakhs each & 1 installments of balance amount	6M SOFR+2% (Currently 6.1714% p.a.)	38.92	69.24
Term loan XV Repayable in 6 (Previous year: 4) quarterly installments of Rs. 17.70 Lakhs each & 1 installment of balance amount	1YMCLR+1.00% (Currently 9.40% p.a.)	112.60	124.42
Term loan XVII (INR & FCTL) Repayable in 3 quarterly installments of Rs. 75 Lakhs and subsequent 8 quarterly installments of Rs. 150 Lakhs (previous year: 1)	6M SOFR+2% (Currently 5.9910% p.a.)	1,162.83	1,141.69
	1YMCLR+1.00% (Currently 9.25% p.a.)	253.59	253.59
Term loan XVI (INR) Repayable in 10 (Previous year: 4) quarterly installments of Rs. 16.70 Lakhs each & 1 installment of balance amount.	1YMCLR+1.00% (Currently 9.40% p.a.)	181.26	90.74
Term loan (i) USD 1,298,201 (Previous year: 1,598,315) repayable in 13 (Previous year 4) quarterly instalments [17 instalments of USD 75,000 & 1 installment of USD 23,315] starting from April 2022 till April 2028.	6M SOFR + 2.65% (Currently 7.47377% p.a.)	1,050.84	1,556.55
Machinery Loan (i) Nil (Previous year : USD 11,350) repayable in monthly instalments [(Previous year: 5) of USD 2,294.74] (ii) USD 135,583 (Previous year: USD 173,078) repayable in monthly instalments [39 instalments (Previous year: 12) of USD 3,773]	4.25% (Fixed) 12.05% (Fixed)	111.41	139.78
Vehicle Loan USD 49,102 (Previous year : Nil) repayable in monthly instalments [44 instalments (Previous year: 4) of USD 1,248.61]	12.05% (Fixed)	40.35	-
Total		3,025.31	3,829.76

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

(Rs. in Lakhs)

16	Provisions	As at March 31, 2023	As at March 31, 2022
	Provision for employee benefits		
	- Leave benefits	77.68	96.66
	Total	77.68	96.66

17 Income & deferred taxes

The major components of income tax expense for the years ended March 31, 2023 & March 31, 2022 are as under:

17.1 Statement of profit & loss

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax	698.24	552.65
Deferred tax	(39.08)	(42.33)
Income tax of earlier years (net)	(29.11)	(17.71)
Tax expense reported in the statement of profit & loss	630.05	492.61

17.2 Other comprehensive income (OCI)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax related to items recognised in OCI		
Re-measurement of defined benefit plans charge / (credit)	(15.52)	1.22
Deferred tax charge / (credit)	(15.52)	1.22

17.3 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for March 31, 2023 and March 31, 2022

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	3,234.92	2,490.03
Applicable income tax rate	25.17%	25.17%
	814.17	626.69
- Effect of expenses not deductible in determining taxable profit	45.41	42.19
- Income tax and deferred tax of earlier years (net)	(29.11)	(17.71)
- Losses of subsidiaries (refer note 17.8)	(218.36)	(158.56)
Subtotal	612.11	492.61
At the effective income tax rate of	18.92%	19.78%
Tax expense reported in the Consolidated statement of profit and loss	612.11	492.61

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17.4 Deferred tax liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	325.71	386.54
Provision for doubtful debts / advances	-	(0.09)
Provision for NMMC cess liability	(0.04)	(0.04)
Provision for employee benefits	(49.64)	(42.74)
Right of use asset	(0.27)	(1.32)
Provision for Contingency	(2.54)	(2.54)
Weighted average deduction u/s 80JJAA	8.68	(0.88)
Net deferred tax liabilities	281.90	338.93

17.5 Reflected in the balance sheet as follows

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	(43.81)	(47.61)
Deferred tax liabilities	325.71	386.54
Deferred tax liabilities (net)	281.90	338.93

17.6 Deferred tax income

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax relates to the following:		
Differences in depreciation and amortization for accounting and income tax purposes	(60.83)	(41.41)
Provision for doubtful debts / advances	0.09	0.86
Provision for NMMC cess liability	-	0.01
Provision for employee benefits	(6.90)	(3.55)
Right of use asset	1.06	0.26
Provision for Contingency	-	(2.54)
Weighted average deduction u/s 80JJAA	9.57	4.04
Net deferred tax credit	(57.03)	(42.33)

17.7 The Group off sets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and intends either to settle on a net basis. Deferred tax asset has not been recognised on impairment in the value of investment of Rs. 810 Lakhs (Previous year - Rs. 675 Lakhs) and provision for doubtful capital advances Rs. 50 Lakhs (Previous year- Rs.50 Lakhs) in the absence of reasonable certainty of its reversal in future.

17.8 In accordance with US law, the WOS of the Holding Company has opted for payment of tax on consolidated income [i.e. after considering the income from its subsidiary (SDS of Holding Company)]. Since there are significant losses in SDS, there is a net loss on consolidated basis. Accordingly, there is no tax payable by WOS. Further, no deferred tax asset is recognized on unused tax profits of Rs. 546.40 Lakhs (Previous year - Rs. 596.07 Lakhs) in absence of reasonable certainty of having taxable income (on consolidated basis) in future years.

(Rs. in Lakhs)

18	Borrowings (Current)	As at March 31, 2023	As at March 31, 2022
	Secured		
	From bank		
	Working capital loans		
	- Cash credit (Repayable on demand)	1,246.26	1,228.23
	- Packing credit (Repayable within 180 days)	2,696.43	2,721.00
	- Bills discounted (Repayable within 30 to 270 days)	299.69	265.96
	Current maturity of long term borrowings		
	- Machinery loan (Refer note 15.1 (iii) above)	32.38	37.02
	- Term loans (Refer note 15.1 (ii) above)	246.51	590.37
	- Rupee loan (Refer note 15.1 (i) above)	211.12	293.06
	- Vehicle loan (Refer note 15.1 (iv) above)	10.12	-
	- Foreign currency loan (Refer note 15.1 (i) above)	413.92	385.40
	Total	5,156.43	5,521.04

18.1 Details of security provided on working capital loans

Working capital loans are secured by first charge by way of hypothecation of stock and book debts and second charge on entire fixed assets of the Holding Company. The loans are further secured by personal guarantee of Chairman & Managing Director of the Holding Company.

18.2 During the earlier year, the SDS 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. Amount 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 March 31, 2021, was fully utilised as per the government guidelines during the year ended March 31, 2022. Further, income and relevant expenses of Rs. 71 Lakhs were considered as exceptional items for the year ended March 31, 2022.

(Rs. in Lakhs)

19	Trade payables	As at March 31, 2023	As at March 31, 2022
	- Dues to micro & small enterprises	61.48	29.89
	- Dues to other than micro & small enterprises	2,576.60	2,425.38
	Total	2,638.08	2,455.27

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19.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act], certain disclosures are required to be made relating to Micro and Small Enterprises. The Group has disclosed such information only to the extent received from suppliers about their coverage under the MSMED Act. Auditor's have relied on the same.

19.2 Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED, Act 2006)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year.	61.48	29.89
b) Interest due remaining unpaid to any supplier at the end of the year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	0.04
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

19.3 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 38.3)

19.4 Trade payables ageing schedule as at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	52.71	8.77	-	-		-	61.48
(ii) Undisputed Others	1,552.90	999.11	8.89	15.70		-	2,576.60
Total	1,605.60	1,007.89	8.89	15.70	-	-	2,638.08

Trade payables ageing schedule as at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed -Micro & small enterprises	25.70	4.19	-	-	-	-	29.89
(ii) Undisputed Others	1,579.37	827.38	10.62	1.68	6.33	-	2,425.38
Total	1,605.07	831.57	10.62	1.68	6.33	-	2,455.27

(Rs. in Lakhs)

20	Other current financial liabilities	As at March 31, 2023	As at March 31, 2022
	Interest accrued but not due	13.29	10.41
	Amount payable for capital goods	73.44	28.44
	Unpaid dividend	18.61	15.98
	Forward contract foreign currency payable (net)	100.30	-
	Accrued expenses	111.79	127.84
	Salary and wages payable	473.11	428.44
	Other liabilities*	101.15	47.68
	Total	891.69	658.79

*Other liabilities includes directors sitting fees, interest payable and payable to employee of subsidiaries, etc.

20.1 Break up of financial liabilities carried at amortised cost (Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (refer note 15 & 18)	7,267.69	8,044.95
Lease liabilities (refer note 37)	5.93	39.49
Other financial liabilities (refer note 20)	891.69	658.79
Trade payable (refer note 19)	2,638.08	2,455.28
Total	10,803.39	11,198.51

(Rs. in Lakhs)

21	Other liabilities	As at March 31, 2023	As at March 31, 2022
	Statutory liabilities	205.41	185.43
	Total	205.41	185.43

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(Rs. in Lakhs)

22	Provisions	As at March 31, 2023	As at March 31, 2022
	Provision for employee benefits		
	- Leave benefits	64.55	48.17
	Provision for contingency	0.15	0.15
	Total	64.70	48.32

22.1 Movement of provision for contingencies

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as on April 01	0.15	0.15
Add: Provision made	-	-
Less: Provision utilised	-	-
Less: Provision written back	-	-
Closing balance as on March 31	0.15	0.15

Note :

Provision for contingency represents provision for disputed Navi Mumbai Municipal Cess ('NMMC'). In respect of this matter, the Holding Company had paid Rs. 60.29 Lakhs (Previous year : 60.29 Lakhs) under protest in the previous years and adjusted the payment under protest to the extent of expected liability though the outcome of appeal is pending to be received. Expected outflow of interest / penalty depends on outcome of the appeal filed.

(Rs. in Lakhs)

23	Revenue from operations	Year ended March 31, 2023	Year ended March 31, 2022
	Sale of products	23,730.62	19,247.65
	Sale of services		
	Job work and tooling charges	109.31	36.09
	(A)	23,839.93	19,283.74
	Other operating revenues		
	- Export incentives	204.27	151.49
	- Sale of electricity - windmill	197.68	197.18
	- Scrap sales	2,537.23	2,447.78
	(B)	2,939.18	2,796.45
	Total	26,779.11	22,080.19
	(A + B)		

23.1 Disclosures of Ind AS 115 - Revenue from contracts with customers:

- (a) Contracts with customer and significant judgment in applying the standard:
- (i) The Group's operations relates to manufacturing and selling of forged and machined components for various sectors. The Group caters to both domestic and international markets. The Group 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 23.2 below.
- (iii) There are no contract assets arising from the Group's contract with customers.
- (b) Disaggregation of revenue:
 - (i) For disaggregation of revenue, refer break-up given in note 23 above and note 45.1
 - (ii) Refer note 45.4(iii) for details regarding customer concentration that represents 10% or more of the Group's total revenue during the year ended March 31, 2022. No customer represents 10% or more of the Group's total revenue for the year ended March 31, 2023.
- (c) Performance obligation
 - (i) For timing of satisfaction of its performance obligations, refer note 3.7 of significant accounting policies of the Group.

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

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contracted price	26,869.32	22,148.13
Less: Amount towards variable consideration components (volume discounts)*	90.21	67.94
Revenue recognised	26,779.11	22,080.19

* The reduction towards variable consideration comprises of volume discounts given / reversed, etc.

(Rs. in Lakhs)

24 Other income	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
- Fixed deposit	1.73	0.57
- Others	0.53	0.34
Amount no longer payable written back	3.19	10.27
Other miscellaneous income*	16.83	25.01
Profit on sales / discard of assets (net)	1.06	-
Foreign exchange fluctuation gain (net)	235.61	417.39
Total	258.95	453.58

* Miscellaneous income includes sundry scrap & miscellaneous recoveries.

(Rs. in Lakhs)

25 Cost of raw materials consumed	Year ended March 31, 2023	Year ended March 31, 2022
Opening Inventory	1,532.11	1,013.51
Add : Purchases	12,453.01	11,608.11
	13,985.12	12,621.62
Less : Closing Inventory	1,697.78	1,532.11
Cost of raw materials consumed	12,287.34	11,089.51

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(Rs. in Lakhs)

26	Changes in inventories of work-in-progress, finished goods and scrap	Year ended March 31, 2023	Year ended March 31, 2022
	Opening Inventory		
	Finished goods	854.18	608.83
	Finished goods-in-transit	580.12	396.13
	Work-in-progress	2,018.02	1,562.72
	Scrap	13.95	24.27
	Stock of Trade Goods	0.70	19.75
	(A)	3,466.97	2,611.70
	Closing Inventory		
	Finished goods	965.34	854.18
	Finished goods-in-transit	404.30	580.12
	Work-in-progress	2,383.65	2,018.02
	Scrap	18.19	13.95
	Stock of Trade Goods	30.77	0.70
	(B)	3,802.25	3,466.97
	Increase in Stock of WIP, finished goods and scrap (A - B)	(335.28)	(855.27)

(Rs. in Lakhs)

27	Manufacturing expenses	Year ended March 31, 2023	Year ended March 31, 2022
	Dies expenses	201.75	156.57
	Consumption of stores & spares	1,005.72	735.22
	Other freight inward and other expenses	93.59	90.32
	Power, fuel and water	1,606.66	1,320.49
	Insurance expenses	88.31	98.08
	Repairs and maintenance		
	- Plant and machinery	232.95	168.68
	- Windmill maintenance charges	25.27	24.27
	- Building	61.76	33.65
	Contract labour expense	553.73	393.33
	Job work expenses	1,586.40	1,368.99
	Rent	95.61	129.95
	Other manufacturing expenses		
	Total	5,551.75	4,519.55

(Rs. in Lakhs)

28	Employee benefit expense	Year ended March 31, 2023	Year ended March 31, 2022
	Salaries, wages and bonus (including managerial remuneration)	3,100.18	2,473.14
	Contribution to provident and other funds	194.23	157.77
	Gratuity	36.15	35.09
	Leave benefits	14.36	20.46
	Workmen and staff welfare expenses	97.12	77.75
	Total	3,442.04	2,764.21

(Rs. in Lakhs)

29	Finance costs	Year ended March 31, 2023	Year ended March 31, 2022
	Interest on bank facilities	485.97	323.87
	Foreign exchange loss (attributable to finance cost)	54.19	59.27
	Other interest costs*	2.17	7.30
	Bank charges	113.71	98.53
	Total	656.04	488.97

*Other interest costs includes interest paid to statutory authorities & interest on leasehold properties in accordance with Ind AS 116 - Leases.

- 29.1 The foreign exchange loss relates to foreign currency term loans and working capital loans to the extent considered as an adjustment to the interest cost.

(Rs. in Lakhs)

30	Other expenses	Year ended March 31, 2023	Year ended March 31, 2022
	Freight outward	435.71	478.58
	Professional and legal fees	306.02	183.73
	Relocation expenses	1.22	32.51
	Travelling and conveyance	76.77	38.06
	Rent	10.86	10.81
	Rates and taxes	79.85	50.43
	Repairs and maintenance - others	45.73	37.52
	Payment to auditors (Refer note 30.1)	30.24	30.69
	Directors sitting fees	12.75	13.50
	Commission to other directors	6.65	4.75
	Provision for contingency (Refer note 6.1)	-	10.10
	Sundry balance written off	-	0.07
	Allowance for doubtful debts utilised	(0.35)	(3.42)
	Allowance for doubtful advances / (utilised)	1.20	(0.70)
	Provision for doubtful sales tax receivable	-	4.99
	Corporate social responsibility expenses	35.30	32.97
	Donation	0.96	0.95
	Loss on sale and discard of fixed assets (net)	40.67	39.02
	Miscellaneous expenses	161.37	153.19
	Total	1,244.95	1,117.75

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30.1 Payment to auditors

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor:		
- Statutory audit fees	19.25	19.25
- Tax audit	2.20	2.20
- Others (including certification fees)	8.79	9.25
Total	30.24	30.70

(Rs. in Lakhs)

31 Exceptional item	Year ended March 31, 2023	Year ended March 31, 2022
Provision for impairment of Goodwill in the SDS (refer note 4.12)	136.21	135.00
Employees retention credit received	(28.76)	-
Total	107.45	135.00

32 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Tax	Total
Re-measurement losses on defined benefit plans	(61.66)	15.52	(46.14)
Total	(61.66)	15.52	(46.14)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Tax	Total
Re-measurement gains on defined benefit plans	4.84	(1.22)	3.62
Total	4.84	(1.22)	3.62

33 Earnings per equity share

(Rs. In Lakhs except share & per share data)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax attributable to shareholders (before OCI) (in Rs. Lakhs)	(A)	2,622.82	1,997.42
Weighted average number of equity shares for basic EPS	(B)	17,270,000	17,270,000
Weighted average number of equity shares for diluted EPS	(C)	17,270,000	17,270,000
Basic earnings per share of face value of Rs.10/- each (in Rs.)	(A/B)	15.19	11.57
Diluted earnings per share of face value of Rs.10/- each (in Rs.)	(A/C)	15.19	11.57

34 Contingent liabilities

- (A) Contingent liabilities are determined on the basis of available information and are disclosed in the notes to consolidated financial statements. Details of contingent liabilities not provided for are as given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Letters of guarantee issued by bank on behalf of the Holding Company	124.47	108.07
(b) Claim against the Holding Company not acknowledged as debts (net)	26.25	26.25

- (i) In respect of (a) above, the Holding Company does not expect any cash outflow till such time contractual obligations are fulfilled.
- (ii) In respect of (b) above, future cash out flows (including interest / penalty) are determinable on receipt of judgments from the statutory authorities / labour court.
- (B) The Holding Company has received demand under the Income Tax Act, 1961 for various Financial Years as given below:

(Rs. in Lakhs)

Demand pertaining to financial Year	2022-23	2021-22
2013-14	-	39.63
2017-18	-	101.84
2019-20	28.56	290.84
Total	28.56	432.31

In this regard, the Holding Company has filed appeal before tax authorities. Future cash outflows, if any, in respect of the above is determinable only on disposal of appeal. In the view of the management, the possibility of liability devolving on the Company in this case is remote.

- (C) Claims made by the ex-employees of the Holding Company whose services have been terminated in earlier years are not acknowledged as debt. The matters are frivolous and are disputed under various forums. However, in the opinion of the management, these claims are not tenable. The possibility of any liability devolving on the Group is remote and hence, no disclosure as contingent liability in considered necessary.
- (D) During the year, the WOS has received Anti-dumping duty demand order raised by U.S. Customs and Border Protection amounting to USD 85,201.72 (excluding interest) ("equivalent to Rs. 70.01 Lakhs) (Previous year : Nil) in respect of classification of stainless-steel flanges imported from Holding Company to United States during for the period March 28, 2018 to September 30, 2019. WOS has filed their response with the Authority and final outcome is awaited. In the view of the management and based on expert's opinion obtained by the WOS, the possibility of liability devolving on the WOS in this case is remote and hence, no disclosure as contingent liability in considered necessary.

35 Capital and other commitments

- (i) Capital commitment for tangible assets (net of advance paid) - Rs.1,171.10 Lakhs (Previous year : Rs. 423.71 Lakhs) and for intangible assets (net of advance paid) - Nil (Previous year : Nil).
- (ii) There are no other commitments as on March 31, 2023. (Previous year : Nil)

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36 Borrowings secured against current assets

During the year, the Holding Company has taken borrowings from banks on the basis of security of current assets. Discrepancies in quarterly returns or statements of current assets filed by the Holding Company to bank with books of account which are not material are as mentioned below:

(Rs. In Lakhs)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per Stand-alone books of accounts of Holding Company	Amount as reported in the quarterly return/statement filed by Holding Company	Amount of difference	Reason for material discrepancies
June 30, 2022	Union Bank of India	Inventory and trade receivables	10,522.14	10,572.74	(50.60)	Amount of difference is upto 0.13% (on average basis) which is mainly due to material dispatched to customers but revenue is recognised in the subsequent quarters.
September 30, 2022	Union Bank of India	Inventory and trade receivables	10,627.69	10,577.77	49.92	
December 31, 2022	Union Bank of India	Inventory and trade receivables	10,660.98	10,607.82	53.16	
March 31, 2023	Union Bank of India	Inventory and trade receivables	9,854.48	9,854.48	-	

37 Leases:

Company as lessee:

1) Disclosures as per Ind AS 116 - Leases

a) The Holding Company has taken factory premises and machinery under lease agreements and the Holding Company has obtained land on leasehold basis from local authorities.

b) For lease arrangement with lease terms of 12 months or less, the Holding Company has applied the 'short-term lease' recognition exemptions. Also refer note 3.13 for accounting policy on leases.

c) For addition, depreciation and carrying value of right of use asset, refer note 4.2.

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

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest expense on lease liabilities	9.67	7.93
Lease expenses in case of short term leases and low value leases	106.47	143.05
Lease expenses debited to lease liabilities	33.56	30.38
Total cash outflow for leases [incl. short term & low value leases]	149.70	181.36

e) Disclosure in balance sheet:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (gross block)	178.05	178.05
Right-of-use assets (net book value)	42.80	72.74
Financial liability - Lease liabilities - current	5.93	33.56
Financial liability - Lease liabilities - non-current	-	5.93

38 Related party disclosure
38.1 Name of the related parties and related party relationship

Description of relationship	Name of the Related Party
Enterprise having control over the Holding Company (Ultimate Holding Company)	Nami Capital Private Limited
Director/Key management personnel (KMP)	Mr. Pradeep Goyal, Chairman & Managing Director
	Dr. Kewal K. Nohria, Non-Executive Director
	Mrs. Neeru Pradeep Goyal, Non-Executive Director (Wife of Chairman & Managing Director)
	Late Mr. Suresh G. Vaidya, Independent Director (Demise on April 12, 2023)
	Mr. Jayavardhan Dhar Diwan, Independent Director
	Mrs. Nandita Vohra, Independent Director
	Mr. Abhinav Goyal, Non- Executive Director (Son of Chairman & Managing Director)
	Mr. Kartick Maheshwari, Independent Director
Relatives of key management personnel	Mrs. Neha Goyal (Wife of Director)
Wholly owned subsidiary	Pradeep Metals Limited Inc., USA, Houston
Step down subsidiary of wholly owned subsidiary	Dimensional Machine Works LLC, USA, Houston
Enterprises owned or significantly influenced by key management personnel or their relatives with whom transactions taken place during the year	Dhanlabh Engineering Works Private Limited

Note: Designated Key Managerial Personnel as required Section 203 of the Companies Act, 2013 are not considered to be Key Management Personnel (Related party) for the purpose of disclosure under Ind AS 24.

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38.2 Related party transactions

(Rs. in Lakhs)

Name of the related party	Nature of the transaction	As at March 31, 2023	As at March 31, 2022
Dhanlabh Engineering Works Private Limited	Labour charges paid	98.54	76.25
	Job Work and tooling charges	6.79	-
	Sale of products	14.21	-
	Rent expenses (amortisation of RoU)	42.48	42.48
	Electricity charges (Reimbursement)	17.71	16.54
	Sales of scrap	2.19	2.80
Nami Capital Private Limited (Formerly known as Rabale Engineering India Private Limited)	Dividend paid (including interim dividend)	229.38	101.94
Mrs. Neeru Goyal	Sitting fees paid	1.00	1.00
	Dividend paid (including interim dividend)	20.70	9.20
Dr. Kewal K. Nohria	Sitting fees paid	2.50	2.75
	Dividend paid (including interim dividend)	15.17	6.74
	Commission	1.40	1.00
Late Mr. Suresh G. Vaidya	Sitting fees paid	2.50	2.75
	Commission	1.40	1.00
Mr. Jayavardhan Dhar Diwan	Sitting fees paid	2.25	2.50
	Commission	1.40	1.00
Mr. Kartick Maheshwari	Sitting fees paid	1.50	2.25
	Commission	1.05	0.75
Mrs. Nandita Vohra	Sitting fees paid	2.00	1.25
	Commission	1.40	1.00
Mr. Pradeep Goyal	Remuneration (including other allowances)	123.48	123.16
	Incentive	55.00	52.23
	Dividend paid (including interim dividend)	35.47	15.76
Mr. Abhinav Goyal	Remuneration (including other allowances)	186.68	77.23
	Sitting fees paid	1.00	1.00
Mrs. Neha Goyal	Remuneration (including other allowances)	104.02	74.37

Note: Sitting fees, commission, remuneration and incentive pay forms part of short term employee benefits.

* Does not include leave encashment since the same is considered for all employees (including the Chairman & Managing Director) of the Holding Company as a whole.

38.3 Balance outstanding as at the year end

(Rs. in Lakhs)

Name of the related party	Nature of outstanding	As at March 31, 2023	As at March 31, 2022
Dhanlabh Engineering Works Private Limited	Trade payable	19.03	13.12
Dr. Kewal K. Nohria	Commission payable	1.40	1.00
Late Mr. Suresh G. Vaidya	Commission payable	1.40	1.00
Mr. Jayavardhan Dhar Diwan	Commission payable	1.40	1.00
Mr. Kartick Maheshwari	Commission payable	1.05	0.75
Mrs. Nandita Vohra	Commission payable	1.40	1.00
Mr. Pradeep Goyal	Remuneration payable	4.40	4.90
	Incentive payable	55.00	51.15
Mr. Abhinav Goyal	Sitting fees payable	0.69	3.08
Mrs. Neha Goyal	Remuneration payable	-	2.08

Note: In addition to above transactions, Chairman and Managing Director of the Holding Company has given personal guarantee for loan facilities taken by the Holding Company from UBI and by WOS of the Company, No guarantee charges are payable by the Group. (Refer note 15.1 & 18.1)

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

39 Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2023, other than those with carrying amounts that are reasonable approximates of fair values:

Particulars	Carrying value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(i) Loans	9.35	16.91	9.35	16.91
(ii) Other non-current financial assets	99.11	48.13	99.11	48.13
(iii) Trade receivables	5,400.98	5,106.76	5,400.98	5,106.76
(iv) Cash and cash equivalents	152.87	305.48	152.87	305.48
(v) Other bank balances	54.56	48.70	54.56	48.70
(vi) Other current financial assets	234.11	317.75	234.11	317.75
Total financial assets	5,950.98	5,843.73	5,950.98	5,843.73
(i) Borrowings (Non-current)	2,111.25	2,523.91	2,111.25	2,523.91
(ii) Lease liabilities (Non-current)	-	5.93	-	5.93
(iii) Trade payable	2,638.08	2,455.28	2,638.08	2,455.28
(iv) Lease liabilities (Current)	5.93	33.56	5.93	33.56
(v) Other current financial liabilities	891.69	658.79	891.69	658.79
(vi) Borrowings (Current)	5,156.44	5,521.04	5,156.44	5,521.04
Total financial liabilities	10,803.39	11,198.51	10,803.39	11,198.51

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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.

(ii) Fair value hierarchy

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly unobservable;

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

Fair value hierarchy as at March 31, 2023

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Liability				
Derivative Instruments	-	100.29	-	100.29

Fair value hierarchy as at March 31, 2022

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Instruments	-	28.90	-	28.90

Determination of fair values: The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value.

Derivative instruments: For forward contracts, future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward exchange rates, discounted at a rate that reflects the credit risk of respective counterparties.

40 Significant estimates and assumptions

The preparation of the Group'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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or (Cash Generating Unit) CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involve use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

b) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The cost of the defined benefit gratuity plan and other long term benefit and the present value of the gratuity obligation and leave benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Group's past history and existing market conditions as well as forward looking estimates at the end of each reporting period. The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Income tax and deferred tax

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the consolidated statement of profit and loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Group has recognised the deferred tax on unused tax losses / unused tax credits only to the extent of the corresponding deferred tax liability. Any increase in probability of future taxable profit will result into recognition of unrecognised deferred tax assets.

f) Provision for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for absolute and slow-moving inventories has been made in the financial statement.

41 Derivatives not designated as hedging instruments

The group evaluates the option of foreign exchange forward contracts to manage foreign exchange fluctuation risk. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings. Refer note 41 and 46 for detailed disclosure of unhedged / hedged items.

42 Foreign currency exchange rate risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's export revenue and long term foreign currency borrowings. The group cover its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and group books forward contract against exports receivable. The group also avails bill discounting facilities in respect of export receivables. Since a major part of the group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the group's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance. The major foreign currency exposures for the group are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The group hedges all trade receivables upto a maximum of 12 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis. The following table sets forth information relating to foreign currency exposure from USD, EUR and GBP (which are not material) forming part of non-derivative financial instruments:

(Rs. in Lakhs)

As at March 31, 2023	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	-	37.97	-	37.96
Vendor Advances	71.09	-	-	216.27	287.37
Total	71.09	-	37.97	216.27	325.33
Liabilities					
Borrowings	1,201.75	-	-	-	1,201.75
Total	1,201.75	-	-	-	1,201.75
Net Liabilities	(1,130.66)	-	37.97	216.27	(876.42)

(Rs. in Lakhs)

As at March 31, 2022	USD	Euro	GBP	SGD	Total
Assets					
Trade Receivables & other assets	-	1,234.24	8.04	-	1,242.27
Vendor Advances	-	-	-	-	-
Total	-	1,234.24	8.04	-	1,242.27
Liabilities					
Borrowings	1,413.21	-	-	-	1,413.21
Total	1,413.21	-	-	-	1,413.21
Net Liabilities	(1,413.21)	1,234.24	8.04	-	(170.94)

Sensitivity analysis

(Rs. in Lakhs)

Particulars	Foreign Currency Sensitivity							
	As at March 31, 2023				As at March 31, 2022			
	USD	EURO	GBP	SGD	USD	EURO	GBP	SGD
1 % Appreciation in INR								
Impact on Profit & Loss	11.31	-	(0.38)	(2.16)	14.13	(12.34)	(0.08)	-
1 % Depreciation in INR								
Impact on Profit & Loss	(11.31)	-	0.38	2.16	(14.13)	12.34	0.08	-

43 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group'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 Group. The RMC provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which 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, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Holding Company generally converts its borrowings in Foreign Currency, considering natural hedge it has against its export. All foreign currency debt obligations carry floating interest rates. Further, Holding Company also avails subvention benefits as MSME as it is registered under MSMED Act.

Interest rate sensitivity

The Group's total interest cost the year ended March 31, 2023 was Rs. 485.97 Lakhs and for year ended March 31, 2022 was Rs. 323.87 Lakhs. 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 Group'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 (Rs. In Lakhs)
March 31, 2023	0.50	(35.95)
	-0.50	35.95
March 31, 2022	0.50	(30.44)
	-0.50	30.44

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's export revenue and long term foreign currency borrowings.

The Group manages its foreign currency risk by budgeting exports sales & repeat orders from its overseas customers and Group keep its long term foreign currency borrowings un-hedged which will be natural hedge against its un-hedged exports. The Group may hedge its long term borrowing near to the repayment date to avoid rupee volatility in short term. The Holding Company also avails bill discounting facilities in respect of export receivables.

Commodity price risk

Group 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 Group 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.

Commodity price sensitivity

The Group revises its prices to customers on quarterly basis by considering average raw materials prices prevailing in the previous quarter implying it passes through any increase in prices thereby minimising the impact on the profit and loss and equity of the Group.

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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and other receivables and deposits, foreign exchange transactions and other financial instruments.

Expected credit loss and Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Further, Group's customers includes companies having long standing relationship with the Group. Outstanding customer receivables are regularly monitored and reconciled. No customer accounted for more than 10% of the total receivables as at March 31, 2023. 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 grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data, past trend and standard percentage norms. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11.1. The Group does not hold collateral as security except in case of few customers. Majority of the export receivable are covered under the insurance cover. The Group 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. For movement in expected credit loss allowance refer the below table:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.34	3.76
Add : Allowance for doubtful receivables made / (utilised) during the year	0.34	(3.42)
Closing balance	-	0.34

Liquidity risk

As per the Group's policy, there should not be concentration of repayment of loans in a particular Financial Year. In case of such concentration of repayment, the Group evaluates the option of refinancing entire or part of repayments for extended maturity. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group 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 Group.

The table below summarises the maturity profile of the Group's financial liabilities:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year		
Borrowings (Current)	5,156.44	5,521.04
Trade and other payables	2,638.08	2,455.28
Lease liabilities (Current)	5.93	33.56
Other financial liabilities	891.69	658.79
	8,692.14	8,668.67
1 to 5 years		
Borrowings (Non-current)	2,111.25	2,523.91
Lease liabilities (Non-current)	-	5.93
	2,111.25	2,529.84
Total	10,803.39	11,198.51

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44 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt equity ratio, which is debt divided by equity.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Group monitors capital using 'Total Debt' to 'Equity'. The Group's Total Debt to Equity are as follows:

(Rs. in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Total debt*	7,267.70	8,044.95
Total capital (total equity other than OCI)	10,244.10	7,621.28
Net debt to equity ratio	0.71	1.06

* Total debt = non-current borrowings + current borrowings + current maturities of non-current borrowings

In order to achieve this overall objective, the Group'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 March 31, 2023 and March 31, 2022.

45 Segmental disclosure

The Group is primarily engaged in manufacturing of closed die steel forgings & processing and Holding Company is also into power generation from wind turbine which is supplied to Maharashtra State Electricity Distribution Company Limited (MSEDCL).

Particulars	Closed die forging and processing	Power generation	Total
45.1 Segment Revenue-Gross			
External revenue	26,581.43	197.68	26,779.11
Previous year	21,883.01	197.18	22,080.19

45.2 Segment Results			
Segment total	3,912.66	115.80	4,028.46
Previous year	2,648.50	114.80	2,763.30
Unallocated corporate expenses net of unallocated income			137.48
Previous year			(215.70)
Finance costs			656.05
Previous year			488.97
Profit before tax			3,234.92
Previous year			2,490.03
Tax expense			612.11
Previous year			492.61
Profit for the year (before OCI)			2,622.81
Previous year (before OCI)			1,997.42

45.3 Other information			
Segment assets	19,003.81	1,496.83	20,500.64
Previous year	17,909.00	1,031.18	18,940.18
Unallocated corporate assets			376.01
Previous year			444.13
Segment liabilities	3,691.30	-	3,691.30
Previous year	3,418.06	-	3,418.06
Unallocated corporate liabilities			7,555.64
Previous year			8,449.75
Depreciation/amortization	791.97	56.11	848.08
Previous year	715.60	56.16	771.76
Capital expenditure	1,017.92	472.25	1,490.17
Previous year	2,083.74	-	2,083.74

45.4 Secondary segment: Geographical information
i) Sales, service income and other operating revenue by geographical market:

(Rs. in Lakhs)

Locations	Year ended March 31, 2023	Year ended March 31, 2022
Within India	12,844.40	10,337.58
Outside India	13,934.71	11,742.61
Total	26,779.11	22,080.19

ii) Trade receivable at year end

(Rs. in Lakhs)

Locations	As at March 31, 2023	As at March 31, 2022
India	1,475.99	1,348.06
Outside India	3,924.99	3,758.70
Total	5,400.98	5,106.76

Note: Above figures are net of provision Rs. Nil (Previous year : Rs. 0.34 Lakhs)

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iii) Reliance on major customers:

No customer represents more than 10% of the total revenue for the year ended March 31, 2023. In case of previous year, only one customer represented more than 10% of total revenue whose revenue amounted to Rs. 5,443.90 Lakhs.

Notes:

- a) The operating segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.
- b) The business segment comprise the following:
 - i) Closed Die Forging and Processing
 - ii) Power Generation
- c) The geographical information considered for disclosure are: Sales within India and Sales outside India.

46 Hedge accounting

The Holding Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Holding Company. The Holding Company's manages currency risk as per trends and experiences. The Holding Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Holding Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge

Hedging Instrument and Hedge Item :

Type of Hedge and Risks	Nominal Value	Carrying amount	Changes in amount of fair value	Hedge Maturity Date	Disclosure in Balance Sheet
Foreign currency risk					
Trade Receivables hedged by Forward Contracts as at March 31, 2023	4,829.42	4,898.41	68.98	Upto March, 2024	Other current financial liabilities
Trade Receivables hedged by Forward Contracts as at March 31, 2022	4,702.47	4,838.40	135.93	Upto March, 2023	Other current financial assets

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)
		As at March 31, 2023		As at March 31, 2022	
USD	Sell	47.75	3,923.93	56.90	4,427.72
EURO	Sell	10.89	974.48	4.63	410.68

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)	In Foreign Currency (in Lakhs)	(Rs. In Lakhs)
	As at March 31, 2023		As at March 31, 2022	
A) Trade Receivables and Vendor advances				
EURO (Trade receivables)	-	-	14.65	1,234.24
GBP (Trade receivables)	0.37	37.97	0.08	8.04
SGD (Vendor advances)	3.50	216.27	-	-
USD (Vendor advances)	0.87	71.09	-	-
B) Borrowings				
USD	14.63	1,201.75	18.65	1,413.21

47 Expenditure on research & development (charged to statement of P & L)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Professional fees	16.04	9.53
Tours & travels	0.34	0.06
Motor car expenses	1.18	1.91
Repairs & maintenance	1.14	6.27
Materials stores & spares	4.39	12.00
Other expenses	1.07	2.02
Total	24.16	31.79

48 CSR expenditure

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Amount required to be spent by the Holding Company during the year	35.09	32.97
(b) Amount of expenditure incurred during the year	35.30	39.31
i) On specified purposes	35.30	39.31
(c) Shortfall at the end of the year	-	-
(d) Total of previous year's shortfall (refer note below)*	-	-
(e) Reason for shortfall	N.A.	N.A.
(f) Nature of CSR activities	Health Care Education and Skill Development Ensuring environmental sustainability, ecological balance	

(Refer Note 51.2 for cashflow on account of CSR expenditure)

*Note- During the previous year, unspent amount of F.Y. 2020-21 year has been spent.

Total of previous year's shortfall

Year	Amount required to be spent	Amount spent	Shortfall	Cumulative balance	Remarks
2020-21	32.48	26.14	6.34	6.34	Spent in FY 2021-2022

49 Defined benefits and other long term benefit plans

(a) Gratuity plan

Funded scheme

The Holding Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided on the employee's length of service and salary retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the payment of Gratuity Act, 1972. The scheme is funded with insurance Holding Company in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefits payments.

I. Liability risks

(a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increase provided at management's discretion may lead to uncertainties in estimating this increasing risk.

II. Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Holding Company has no control over the management of funds but this option provides a high level of safety for the total corpus.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan. The principal assumptions used in determining gratuity for the Holding Company's plan is shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality table	IALM (2012-14) Ult	IALM (2012-14) Ult
Discount rate	7.44%	7.25%
Expected rate of return on plan assets	7.44%	7.25%
Rate of increase in compensation levels	5.00%	5.00%
Expected average remaining working lives (in years)	10.00	14.00
Employee attrition rate	For Service 2 yr & below : 20% p.a For Service 3 to 4 yr: 20% p.a For Service 5 yr & above : 4% p.a	2.00%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	614.28	524.30
Interest expense	44.53	35.18
Current service cost	41.01	38.73
Benefits (paid)	(54.00)	(20.20)
Remeasurements on obligation [Actuarial (Gain) / Loss]	54.08	36.27
Closing defined benefit obligation	699.90	614.28

Changes in the fair value of plan assets recognised in balance sheet are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	681.22	550.10
Interest income	49.39	36.91
Contributions	57.03	73.30
Benefits paid	(54.00)	(20.20)
Return on plan assets, excluding amount recognised in interest income-Gain / (Loss)	(7.59)	41.11
Closing fair value of plan assets	726.05	681.22

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Net Interest (Income / Expense)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest (Income) / Expense - Obligation	44.53	35.18
Interest (Income) / Expense - Plan assets	(49.39)	(36.91)
Net Interest (Income) / Expense for the year	(4.86)	(1.73)

Remeasurement for the year [Actuarial (Gain) / Loss]

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Experience (Gain) / Loss on plan liabilities	50.73	34.13
Demographic (Gain) / Loss on plan liabilities	10.20	-
Financial (Gain) / Loss on plan liabilities	(6.85)	2.14

Amount recognised in statement of other comprehensive income (OCI)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement for the year - obligation (Gain) / Loss	54.08	36.27
Remeasurement for the year - plan assets (Gain) / Loss	7.59	(41.11)
Total Remeasurement cost / (credit) for the year recognised in OCI	61.67	(4.84)

The amounts to be recognised in the Balance Sheet

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the end of the year	699.90	614.28
Fair value of plan assets as at the end of the year	726.05	681.22
Net asset / (liability) to be recognised in balance sheet	26.15	66.94

Expense recognised in the Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	41.01	38.73
Sub Total	41.01	38.73
Net Interest (Income) / Expense	(4.86)	(1.73)
Net periodic benefit cost recognised in the statement of profit and loss	36.15	37.00

Reconciliation of net assets / (liability) recognised:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Net asset / (liability) recognised at the beginning of the year	66.94	25.80
Company contributions	57.03	73.30
Expense recognised at the end of year	(36.15)	(37.00)
Amount recognised outside profit & loss for the year (OCI)	(61.67)	4.84
Net asset / (liability) recognised at the end of the year	26.15	66.94

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by insurer	100%	100%

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased / increased in present value of obligation

(Rs. in Lakhs)

Discount rate	As at March 31, 2023	As at March 31, 2022
Decrease by 1%	41.68	43.44
Increase by 1%	(37.56)	(38.65)

B) Impact of change in salary increase rate when base assumption is decreased / increased in present value of obligation

(Rs. in Lakhs)

Salary increment rate	As at March 31, 2023	As at March 31, 2022
Decrease by 1%	(43.79)	(39.70)
Increase by 1%	48.20	44.13

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments [gross liability] to the defined benefit plan in future years:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	73.75	63.22
After one year but not more than five years	290.82	201.60
After Five years but not more than ten years	400.39	358.53

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(b) Leave benefits

Liability for leave benefits which are long term in nature (Privilege and sick leave) are unfunded and actuarially determined considering the leave policy / rules of the Holding Company. The total liability for leave benefits as at year end is Rs.142.23 Lakhs (Previous year : Rs.144.83 Lakhs).

(c) Bifurcation of liability as per Schedule III of the Companies Act 2013 :

Particulars	Gratuity		Leave benefits	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Current Assets	26.17	66.95	-	-
Current liability	-	-	(64.55)	(48.17)
Non-current liability	-	-	(77.68)	(96.66)
Net liability / assets	26.17	66.95	(142.23)	(144.83)

50 Defined contribution plan

In accordance with the law, all employees of the Holding Company are entitled to receive benefits under the provident fund and ESIC. Under the defined contribution plan, provident fund, ESIC and LWF is contributed to the government administered fund. The Holding Company has no obligation, other than the contribution payable to the provident fund, Pension fund, ESIC and LWF.

(Rs. in Lakhs)

Particulars	2022-2023	2021-2022
Provident fund	40.19	36.97
Pension fund	71.23	65.45
Employees' state insurance (ESIC)	6.35	10.21
Labour welfare fund (LWF)	0.39	0.41
Total	118.16	113.04

51 Cash flow statement related

51.1 Aggregate outflow on account of direct taxes paid (net of refund) is Rs. 733.22 Lakhs (Previous year : Rs. 574.85 Lakhs).

51.2 Net cash inflow from operating activity netted off with expenditure on Corporate Social Responsibility (CSR) expenditure of Rs 35.30 Lakhs (Previous year : Rs. 39.31 Lakhs) (Refer note 48).

51.3 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at April 01, 2022	Cash flows	Non cash changes	As at March 31, 2023
Short-term borrowings	4,215.19	19.58	7.61	4,242.38
Lease liabilities	39.49	(36.00)	2.44	5.93
Long-term borrowings	3,829.76	(795.89)	(8.55)	3,025.31
Total liabilities from financing activities	8,044.95	(776.31)	(0.94)	7,267.70

(Rs. in Lakhs)

Particulars	As at April 01, 2021	Cash flows	Non cash changes	As at March 31, 2022
Short-term borrowings	2,367.10	1,861.35	(13.26)	4,215.19
Lease liabilities	105.28	(74.32)	8.53	39.49
Long-term borrowings	3,991.25	(180.66)	19.17	3,829.76
Total liabilities from financing activities	6,358.35	1,680.69	5.91	8,044.95

- 52 The Board of Directors has recommended a final dividend of Rs.1 per equity share on face value of Rs. 10/- each for Financial Year 2022-23 on board meeting held on 10th May 2023, subject to approval of shareholders in ensuing Annual General Meeting. The total estimated equity dividend to be paid is Rs. 172.70 Lakhs.
- 53 The Holding Company is in process of filling up casual vacancy arose due to demise of one of the Independent directors of the Holding Company on April 12, 2023 within the prescribed time limits.
- 54 Subsequent Events: There are no significant subsequent events that would require adjustments or disclosures in the financial statement between the Balance Sheet date and the date of signing of accounts.
- 55 As on March 31, 2023, the Group has not been declared wilful defaulter by any bank / financial institution or other lender.
- 56 The Group is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.
- 57 The Group has not advanced any funds or loaned or invested by the Group to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
The Group has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide guarantee, security or the like on behalf of the ultimate beneficiaries.
- 58 No proceedings have been initiated or are pending against the Group as on March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 59 The Group does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence no disclosure is required.
- 60 The Group has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

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

As per our report of even date

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No. 118991

Place: Mumbai

Date: May 10, 2023

**For and on behalf of the Board of Directors of
Pradeep Metals Limited**

Pradeep Goyal

Chairman and Managing Director

DIN: 00008370

Abhishek Joshi

Company Secretary

Membership No. 64446

Neeru Goyal

Director

DIN: 05017190

Kavita Choubisa Ojha

Chief Financial Officer

PAN: ATTPC7818E

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NOTES

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certifications & approvals

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

Pressure Equipment Directive (PED/2014/68/EU)

AD2000-MERKBLATT W0

Canadian Registration Number - CRN

Nuclear Approved Supplier - USA & Germany

Indian Defense Approved Supplier

Indian Railways Approved Supplier

Marine Approved Supplier

Indian Boiler Regulation IBR

NORSOK Approved Products

steel grades used

STAINLESS STEEL

F303, F304/F304L, F316 Ti, F316/
F316L, F321, F347H
1.4301, 1.4307, 1.4435, 1.4436,
1.4404, 1.4541, 1.4571

DUPLEX

F51/1.4462/2205, Inconel 625,
825, Monel 400,500, Hastelloy
C-276, Alloy 20

ALLOY STEEL

SAE - 4130, 8620H, 4140
20MnCr5, 18NiCrMo4, En19,
42CrMo4
F5, F9, F11, F20, F22, F91, F92

DIE STEEL

En24, DIN1.2714, DIN1.2713, H11

CARBON STEEL

SAE - 1008, 1010, 1018, 1030,
1040, 1045, 1141, 1140
En3A, En8, En8D, En9, C22.8 /
1.0460, CK45 / C45
Gr55, Gr70, A668 CLF, A105 /
1.0481, LF2 / 1.0436

our capabilities

DESIGN & TOOLING

AutoCAD drawing
approved based on customer
specifications
3-D modeling using Siemens
NX (Unigraphics)
DEFORM simulation to
optimize yield and die-design
Tool-path generation using
Cimatron
Tooling Center
- Makino S-33
- HAAS VF-1 / VF-3
- EDM
- CNC Wirecut
- CNC Lathes

MACHINING

Vertical Machining Centers
Horizontal Machining Center
CNC Lathe Machines
Up to 530mm Diameter

TESTING

Spectrometer
Tensile Tester
Microscopy
PMI
Radioactivity
Impact, IGC

CUTTING

400T & 1600T Shears
125mm dia. Hi-speed
Circular Saw
250mm Band Saws

MEASUREMENTS

Accurate 3-D CMM Model Spectra
Mahr Contour Measuring System
Mahr Mobile Surface Measuring
Station MarSurf M 400
Trimos Vectra Touch - 600mm

FORGING

6T,3T & 1T Closed Die Hammers
2500T, 1250T, 700T
Mechanical Presses
Trimming Presses
Induction and Gas-fired
furnaces

HEAT TREATMENT

Electric Tempering furnace
Mechanical charger
Austentizing furnaces

POST FORGING

Shot blasting
Coining
Stamping
Rust-prevention
Packing
Ultrasonic cleaning



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