



Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

9th November, 2021

The Secretary
BSE Limited
P J Towers, Dalal Street,
Mumbai- 400 001.

Dear Sir,

Sub: Outcome of Board Meeting dated 9th November, 2021:

Scrip Code: 513532

This is in continuation to our letter dated 30th October, 2021 and pursuant to Regulation 33, 30 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We wish to state that the Board of Directors of the Company in its meeting held today has interalia:

1. Has considered and approved the Un-Audited Financial Results of the Company on Standalone and Consolidated basis for the quarter and half year ended 30th September, 2021 along with Limited Review Reports thereon and Cash Flow Statement for half year ended 30th September, 2021.
2. Accepted Resignation of Ms. Nivedita Nayak, Company Secretary and Compliance Officer of the Company w.e.f. 30th November, 2021.
3. Approved appointment of Mr. Abhishek Joshi (Membership Number: A64446) as Company Secretary and Compliance Officer of the Company with effect from 1st December, 2021.
4. The Board was updated on several initiatives being pursued by the Management in the area of defence equipment's manufacturing, along with Defence Research and Development Organization (DRDO).

A copy of the said results, notes thereto and Auditors Limited Review Report thereon, Cash Flow Statement is enclosed for your records.

The meeting of the Audit Committee/Board of Directors of the Company commenced at 4.30 p.m. and concluded at 7.45 p.m.

Please take the above information on record.

For Pradeep Metals Limited




Nivedita Nayak
Company Secretary & Compliance Officer
FCS: 8479

Sr.	Particulars	Standalone				Consolidated				Year ended 31-Mar-2021 Audited
		Quarter ended		Half year ended		Quarter ended		Half year ended		
		30-Sep-2021 Unaudited	30-Jun-2021 Unaudited	30-Sep-2021 Unaudited	30-Sep-2021 Unaudited	30-Sep-2021 Unaudited	30-Sep-2021 Unaudited	30-Sep-2021 Unaudited	30-Sep-2021 Unaudited	
1	Income from operations	4,569	4,242	9,244	14,146	5,600	4,656	10,937	7,165	15,900
2	Other income	600	446	9,468	13,364	5,574	4,701	10,283	7,208	15,910
3	(A) Total Income (1+2)	5,099	4,390	18,712	27,510	11,174	9,357	21,220	14,373	31,810
4	Expenses									
(a)	Cost of materials consumed	2,279	2,307	4,655	5,608	2,482	2,517	4,999	2,727	6,281
(b)	Changes in inventories of work-in-progress, finished goods and scrap	34	(543)	(509)	389	25	(629)	463	(604)	203
(c)	Manufacturing expenses	1,084	967	2,040	3,082	1,137	989	1,236	1,484	3,199
(d)	Employee benefits expense	631	581	1,213	2,089	632	631	1,368	1,137	2,390
(e)	Finance costs	83	86	178	382	92	107	189	218	455
(f)	Depreciation and amortisation expense	144	139	283	144	200	177	377	379	774
(g)	Other expenses	315	310	624	1,028	238	243	481	486	1,086
	(B) Total Expenses	4,570	3,847	8,415	13,088	4,909	4,036	8,946	6,734	14,578
4	Profit before exceptional items and tax (A-B)	529	543	1,074	1,266	671	671	1,336	472	1,432
5	Less: Exceptional items- expenses/(income) [Refer note 12]	34	27	61	308	34	34	61	182	308
6	Profit / (Loss) before tax (A-C)	495	516	1,013	958	631	644	1,276	290	1,124
7	Tax Expense	(139)	(146)	(266)	(356)	(139)	(146)	(266)	(156)	(356)
8	1. Current tax	6	2	8	28	8	5	13	13	48
9	2. Deferred tax	(145)	(148)	(274)	(384)	(147)	(151)	(279)	(169)	(404)
10	Profit (Loss) from continuing operations (B-7)	362	372	735	619	499	503	1,003	146	809
11	Tax expense of discontinued operations	-	-	-	-	-	-	-	-	-
12	Profit (Loss) for the period before non-controlling interest (B+10)	-	-	-	-	-	-	-	-	-
13	(Less) / add: allocation to non-controlling interest (B+11)	362	372	735	619	499	503	1,003	146	809
14	Profit (Loss) for the period (B+12)	-	-	-	-	-	-	-	-	-
15	Other Comprehensive Income (OCI)	362	372	735	619	499	503	1,003	146	809
	A (i) Items that will not be reclassified to profit or loss	(18)	(8)	(26)	37	(18)	(8)	(26)	(15)	37
	Remeasurement gain/(loss) of net defined benefit liability	5	2	7	(9)	5	2	7	4	(9)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	(13)	(6)	(19)	28	(7)	(39)	(43)	28	57
	Exchange differences on translation of foreign operations	349	366	716	647	493	467	960	174	865
16	Total Comprehensive Income for the period (14+15) [Comprising Profit/ (Loss) and Other Comprehensive Income for the period attributable to:									
(a)	To Owners of parent	-	-	-	-	-	-	-	-	-
(b)	To Owners of parent	-	-	-	-	-	-	-	-	-
(c)	To Owners of parent	-	-	-	-	-	-	-	-	-
(d)	To Non-controlling interest	-	-	-	-	-	-	-	-	-
17	Of the Total Comprehensive Income above, Profit for the period attributable to:									
(a)	To Owners of parent	-	-	-	-	-	-	-	-	-
(b)	To Non-controlling interest	-	-	-	-	-	-	-	-	-
18	Of the Total Comprehensive Income above, Other comprehensive income attributable to:									
(a)	To Owners of parent	-	-	-	-	(7)	(39)	(43)	28	57
(b)	To Non-controlling interest	-	-	-	-	-	-	-	-	-
19	Paid-up equity share capital (Face value of Rs. 10/- per share)	-	-	-	-	-	-	-	-	-
20	Reserves excluding revaluation reserve	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727
21	Earnings per equity share of Rs. 10/- each (Not annualised)	2.10	2.16	4.26	3.58	2.90	2.91	5.81	0.85	4.68
	(a) Basic (in Rs.)	2.10	2.16	4.26	3.58	2.90	2.91	5.81	0.85	4.68
	(b) Diluted (in Rs.)	-	-	-	-	-	-	-	-	-

SIGNED FOR IDENTIFICATION BY

**MILAN
 NAVIN
 MODY**
 N. A. SHAH ASSOCIATES LLP
 MUMBAI

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**PRADEEP METALS LIMITED
 DELHI**

Statement of Shareholders and Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2021 (Continued)
 Notes to Financial Statements
 1 Standard/ Consolidated Statement of Assets and Liabilities

Particulars	(Rs. in lakhs)			
	As at 30th Sep 2021 (Unaudited)	Standalone As at 31st March 2021 (Audited)	As at 30th Sep 2021 (Unaudited)	Consolidated As at 31st March 2021 (Audited)
ASSETS				
Non-current assets				
Property plant and equipment	4,762	4,845	5,175	5,256
Intangible assets	88	103	88	138
Capital work-in-progress	234	145	234	145
Goodwill	-	-	301	301
Other intangible assets	292	301	289	301
Goodwill on consolidation	-	-	148	148
Financial assets:				
(i) Investments*	742	803	0	0
(ii) Loans	1,871	1,828	-	-
(iii) Other financial assets	59	48	59	48
Income tax assets (net)	50	58	50	58
Other assets	326	301	530	487
	8,413	8,432	6,572	6,610
Current assets				
Inventories	3,683	2,632	4,955	3,782
Financial assets:				
(i) Trade receivable	5,112	4,637	4,416	4,176
(ii) Cash and cash equivalent	2	3	198	228
(iii) Loans	2	28	3	2
(iv) Other financial assets	7	9	9	9
(v) Other financial assets	348	312	330	296
Other assets	579	334	589	337
	9,767	7,952	10,532	8,653
TOTAL ASSETS	18,180	16,384	17,103	15,463
EQUITY AND LIABILITIES				
Equity				
Equity share capital	1,727	1,727	1,727	1,727
Other equity	6,602	6,259	4,617	4,937
	8,329	7,986	6,344	5,774
LIABILITIES				
Non-current liabilities				
Financial liabilities:				
(i) Borrowings	1,688	1,906	1,980	2,382
(ii) Lease liabilities	23	39	23	39
Provisions	162	25	162	25
Deferred tax liabilities (Net)	378	387	377	381
	2,251	2,357	2,543	2,828
Current liabilities				
Financial liabilities:				
(i) Trade payable	4,379	3,448	4,781	3,976
(ii) Borrowings	23	23	23	23
- Due to micro and small enterprises	2,023	1,610	2,103	1,689
(iii) Lease liabilities	32	30	32	66
(iv) Other financial liabilities	847	545	843	611
Other liabilities	40	45	179	156
Provisions	26	151	26	151
Current tax liabilities (net)	7	7	7	7
	7,600	6,040	8,017	6,861
TOTAL LIABILITIES	9,851	8,397	10,560	9,689
TOTAL EQUITY & LIABILITIES	18,180	16,384	17,103	15,463

*Represents 100 shares of TJSB Sahkari Bank Ltd of Rs. 0.05 lakh

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PRADEEP METALS LIMITED
DELHI

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N. A. SHAH ASSOCIATES LLP
MUMBAI

Statement of Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2021 (Continued)
 Notes to financial results (continued).

2 Standalone and Consolidated Unaudited Cash Flow Statement for the half year ended 30th September 2021

Particulars	(Rs. in lakhs)			
	Half year ended 30th September 2021 (Unaudited)	Standalone Half year ended 30th September 2021 (Unaudited)	Half year ended 30th September 2021 (Unaudited)	Consolidated Half year ended 30th September 2021 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(loss) before taxation	1,012	459	1,276	291
Adjustments for:				
Depreciation and amortization (net)	283	280	377	386
Allowance for doubtful debts / (written back)	(4)	2	(4)	2
Allowance for doubtful advance / (utilised)	(1)	-	(1)	-
Amount no longer payable written back	(7)	(12)	(7)	-
Unrealised foreign exchange (gain)/loss (net)	(135)	-	(118)	15
Reduction in Finished goods	-	-	33	33
PPF-refill returned / utilised	-	(70)	(70)	21
(Profit)/loss on sale of fixed asset (net)	12	8	12	142
Investment in non-current/financial assets (exceptional item)	64	142	67	142
Interest expense**	178	167	199	218
Interest income*	(51)	(6)	(537)	(1)
	337	574	482	817
Operating profit before changes in assets and liabilities	1,349	1,033	1,757	1,108
Movements in working capital :-(Current and Non-current)	(318)	(177)	(184)	(189)
(Increase) / decrease in other assets and other financial assets	(1,051)	131	(1,206)	182
(Increase) / decrease in inventories	(412)	(929)	(189)	632
(Increase) / decrease in trade receivable	889	241	478	105
Increase / (decrease) in trade payable, other liabilities, provisions and other	458	(891)	686	1,838
Adjustment for:				
Direct taxes paid [including tax deducted at source](net of refund)	(241)	(100)	(241)	(100)
Net cash generated/ (used in) from operating activities.. (A)	217	142	425	1,738
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (tangible / intangible) (including capital advances and work in progress)	(257)	(42)	(471)	(91)
Sale of fixed asset	4	-	60	-
(Increase)/decrease in other bank balances and non-current assets (Other than Investments made in wholly owned subsidiary)	(8)	(1)	(8)	(1)
Loan to wholly owned subsidiary (given) / (refund received)	(15)	(301)	-	-
Interest received*	34	6	0.37	1
	(242)	(338)	(419)	(91)
Adjustment for:				
Less: Direct taxes paid [including tax deducted at source]**	(3)	(1)	(3)	(0.05)
Net cash generated / (used in) from investing activities.. (B)	(246)	(339)	(423)	(91)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowing	126	684	278	732
Repayment of long term borrowings	(676)	(382)	(1,112)	(680)
Repayment of long term finance lease obligations	(15)	(13)	(51)	(54)
(Increase)/decrease in working capital loan (Net)	831	48	1,230	(1,435)
Dividend/ interim dividend paid	(173)	-	(173)	-
Interest paid	(155)	(171)	(205)	(229)
Net cash generated / (used) from financing activities.. (C)	28	195	(33)	(1,840)
Net increase / (decrease) in cash and cash equivalents.. (A + B + C)*	0	(2)	(30)	1
Cash and cash equivalents at the beginning of the period	3	3	228	190
Cash and cash equivalents at the end of the period	3	1	196	190
Net increase / (decrease) in cash and cash equivalents***	0	(2)	(30)	1

* Represents Rs. 0.37 lakhs for the half year ended 30th September 2021.

** Represents Rs. 0.05 lakhs for the half year ended 30th September 2020

*** Represents Rs. 0.24 lakhs for the half year ended 30th September 2021

SIGNED FOR IDENTIFICATION BY
 PRADEEP
 VEDRIKA
 SHYGOVAL
 Director
 Date: 27/09/2021

PRADEEP METALS LIMITED
 DELHI

SIGNED FOR IDENTIFICATION BY
 MILAN
 NAVIN
 MODY
 N. A. SHAH ASSOCIATES LLP
 MUMBAI

12 Exceptional items- expenses/(income)

Particulars	Standalone				Consolidated			
	Quarter ended		Half year ended		Quarter ended		Half year ended	
	30-Sep-2021	30-Jun-2021	30-Sep-2020	30-Sep-2021	30-Sep-2020	30-Sep-2021	30-Sep-2020	
Provision for impairment of investment in WOS [Refer para 5]	4,922	4,182	4,190	6,327	13,981	5,423	4,383	9,950
Provision for impairment of Goodwill / Tangible Assets in SDS [Refer para 9(b)(i)]	78	59	69	137	185	78	69	137
Expenses incurred during the period of lockdown due to COVID-19 [Refer para 10]	5,000	4,241	4,259	9,241	14,146	5,500	4,488	10,087
Financial support received in SDS [Refer para 9(b)(iii)]	-	-	-	-	-	-	-	-
Expenses incurred against financial support received in SDS [Refer para 9(b)(iii)]	-	-	-	-	-	-	-	-
Total	34	27	85	61	181	34	85	61

13 Notes to financial results (continued):

Segment disclosure:

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

Particulars	Standalone				Consolidated			
	Quarter ended		Half year ended		Quarter ended		Half year ended	
	30-Sep-2021	30-Jun-2021	30-Sep-2020	30-Sep-2021	30-Sep-2020	30-Jun-2021	30-Sep-2020	
Segment revenue	4,922	4,182	4,190	6,327	13,981	5,423	4,383	9,950
(a) Closed die steel forging and processing	524	519	532	1,044	1,547	649	356	1,302
(b) Power generation	57	39	47	96	102	39	47	96
Total	381	558	579	1,140	1,649	688	403	1,398
Less: Finance cost	83	86	84	176	382	107	107	199
(i) Other unallocable expenditure / (income) (net) [net of exceptional item- para 5 and 9(b)]	3	(54)	106	(51)	366	(94)	86	(77)
Profit before tax	495	516	388	1,013	959	645	188	1,276
Capital employed:								
Segment assets	16,178	15,239	13,535	16,178	14,244	15,649	13,703	15,649
(a) Closed die steel forging and processing	1,169	1,243	1,211	1,169	1,243	1,243	1,211	1,169
(b) Power generation	833	865	859	897	887	896	876	896
(c) Unallocated	18,180	17,347	15,604	18,180	16,384	17,104	15,190	17,104
Total (A)								
Segment liabilities	3,089	2,761	2,186	3,089	2,546	2,942	2,478	3,300
(a) Closed die steel forging and processing	6,562	6,234	5,796	6,562	5,845	6,896	7,258	7,530
(b) Power generation	9,951	8,995	7,972	9,951	8,397	9,928	10,108	10,599
(c) Unallocated								
Total (B)								
Capital Employed (Segment Assets- Segment Liabilities) (A-B)								
(a) Closed die steel forging and processing	13,009	12,478	11,349	13,009	11,698	12,349	11,618	12,349
(b) Power generation	1,169	1,243	1,211	1,169	1,243	1,169	1,211	1,169
(c) Unallocated	(5,729)	(5,729)	(4,928)	(5,729)	(4,949)	(6,073)	(7,354)	(6,073)
Total	8,329	8,329	7,632	8,329	7,986	6,241	5,082	6,545

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



for Pradeep Metals Limited

PRADEEP
 VEDPRASA
 SH GOYAL
 Pradeep Goyal
 Chairman & Managing Director
 DIN: 00808370

Delhi
 Date: 9th November 2021


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

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

To
The Board of Directors of
Pradeep Metals Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Pradeep Metals Limited ("the Company") for the quarter and half year ended 30th September, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management responsibility

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

Auditor's responsibility

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

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

Conclusion

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

Emphasis of matter

5. Reference is invited to note 5 of the notes to financial results. In view of accumulated losses in the wholly owned subsidiary (WOS) and step down subsidiary (SDS), expected business impact of COVID 19 and provision for impairment of goodwill and tangible assets by SDS, the Company carried out impairment assessment in respect of its investment in WOS and loans granted to WOS. Based on such assessment, the Company has made additional provision for impairment of Rs. 34 lakhs in the value of its investment in WOS during the quarter ended 30th September 2021 (Provision for impairment made of Rs. 27 lakhs during the quarter ended 30th June 2021, Rs.85 lakhs during the quarter ended 30th September 2020, Rs.61 lakhs for the half year ended 30th September, 2021, Rs.142 lakhs for the half year ended 30th September 2020 and Rs.270 lakhs for the year ended 31st March 2021. Aggregate impairment provision made upto 30th September 2021 amounts to Rs.601 lakhs). In the view of management, considering the long term and strategic nature of investment, the balance carrying value of investment in WOS would yield the required benefits and the loan given to the WOS is considered as fully recoverable.


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Our opinion is not modified in respect of above matter. Above matter was reported in our reports on the audited / unaudited standalone financial results of the previous years and earlier quarters and our opinion was not modified.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No. 116560W/W100149

MILAN NAVIN
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Date: 2021.11.09 09:04:34 +05'30'

Milan Mody
Partner
Membership number: 103286
UDIN: 21103286AAAAIN3656

Place: Mumbai
Date: 09th November, 2021

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

To
The Board of Directors of
Pradeep Metals Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Pradeep Metals Limited ('the Holding Company') and its Wholly Owned Subsidiary (WOS) and Step Down Subsidiary (SDS) (collectively referred to as 'the Group'), for the quarter and half year ended 30th September 2021, ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management's responsibility

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

Auditor's responsibility

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

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

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

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

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

5. Conclusion

Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

6. Emphasis of Matters

Reference is invited to note 9(b)(i) & (ii) of the Statement. In respect of SDS;

- a) The management has carried out impairment assessment in respect of goodwill and tangible assets considering the continuing losses and assessment of financial impact on account of Covid-19 on future cash flows. Based on such assessment, the SDS has made additional provision for impairment of Rs. 34 lakhs for goodwill and tangible assets during the quarter ended 30th September 2021 (Provision for impairment made of Rs.27 lakhs during the quarter ended 30th June 2021, Rs.85 lakhs during the quarter ended 30th September 2020, Rs.61 lakhs for the half year ended 30th September, 2021, Rs.142 lakhs for the half year ended 30th September 2020 and Rs.270 lakhs for the year ended 31st March 2021 and aggregate impairment provision upto 30th September, 2021 is Rs. 601 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 tangible assets in the books of SDS as at 30th September 2021.
- b) (i) Ageing of slow/non-moving items of inventories is not available from the system. Management is of the view that there is demand for the SDS's products and these inventories have realizable value greater than cost. Based on the management estimate, provision is made wherever considered necessary. We have relied on the management for the demand estimate and expected price realization. (ii) Further, the improvement in the systems and processes of maintaining the inventory records is in process.

Our conclusion is not modified in respect of above matters. The matters in paragraph (a) and (b) above were reported in our reports on the audited / unaudited standalone financial results of the previous years and earlier quarters and our opinion was not modified.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No. 116560W/W100149

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Milan Mody
Partner
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Place: Mumbai
Date: 9th November, 2021