We recycle to save tomorrow

GRAVITA

AN INDIAN MULTINATIONAL COMPANY

Recycling for a sustainable future

Gravita India Limited

Annual Report 2020-21

Navigating through this report

What does the Cover signify

We are working together with our customers, employees and business partners to nurture a cleaner and more circular world. Throughout this report we have highlighted how we are focusing on materializing this intent.

FY 21 performance

₹ **1410** cr
Revenue
(FY 20 : ₹ 1348 cr)

₹ **117** cr
EBIDTA
(FY 20 : ₹ 97 cr)

₹ **52** cr
Net profit
(FY 20 : ₹ 33 cr)

₹ **7.72**
Earnings / share
(FY 20 : ₹ 482)

**EBITDA has been adjusted for income/loss from currency and metal hedging.*

Recycling for a sustainable future!

At Gravita India Limited, we have pioneered the Lead recycling industry in India, enhancing the country's prominence and reputation in the global recycling industry.

We remain focused on our core business while at the same time harnessing adjacencies in aluminium and plastic recycling that offer attractive growth potential. We have demonstrated a strong track record of consistent growth in revenue and profits and also generating higher returns for our shareholders, whilst reinvesting to grow our business. Today, Gravita is an established enabler of the circular economy, and our team of more than 1,400 employees carry out operations efficiently every day in the waste hierarchy – Collect, Recycle, Reuse and Recover.

Sustainability has been at the heart of our business strategy and we have remained focused on the principles of ESG (environmental, social, and governance) much before they came to the force. In fact, our commercial growth momentum has gained thrust over the years through our relentless focus on environmental practices, inclusive employment creation and social development, and best-in-class governance standards.

Thus, our robust foundation built with patience, perseverance and pride has not only enabled us to continue to engage in recycling for a sustainable future, but has also set the ground for accelerated value creation.

Gravita at a glance

10 things you should know about us

Gravita was established in 1992 by Rajat Agrawal, a first-generation entrepreneur. Our business is organised across four specialized verticals: Lead Recycling (flagship), Aluminium recycling, Plastic recycling and Turnkey projects.

We possess specialist expertise in the recycling of used batteries, cable scrap/other Lead scrap, Aluminium scrap, Plastic scrap, etc.

Our operations are spread globally, including in the Americas (Nicaragua), Africa (Ghana, Senegal, Mozambique and Tanzania) and Asia (India: Kathua, Jaipur, Jaipur SEZ, Gandhidham, Chittoor and in Sri Lanka).

Our deep-rooted procurement network is spread across Asia, Africa, the Middle East, Europe and the Americas, comprising a total of 27 own yards, 1,400+ touchpoints and 160,000 MT+ scrap collection capacity.

Our ability to manufacture customized/value-added products strengthens our margin profile and opens up a larger share of the customer's product mix. Our value-added product include customized Lead alloys, Lead sheets, Lead bricks, Red Lead, Lead oxide, Lead balls, customized Aluminium alloys, Plastic granules, Pet flakes (food grade), etc., that are used across diverse applications.

Our 300+ customer base is located in Asia, the Middle East, Europe and the Americas, spanning 40+ countries

Our Indian operation serves 200+ domestic customers located in 18 states of the country, and 60+ customers located in 20 countries around the world.

We offer comprehensive turnkey solutions for Lead battery recycling, leveraging our deep-seated and longstanding experience in the business and in-house Lead battery recycling technology. We also offer technical consultancy services for recycling. The Company's track record in this line of business is evident in the fact that it has executed 50+ turnkey projects globally.

The Company's top management has average experience of more than 30 years in diversified industries. Further, it has separate SBU heads for all verticals, thus ensuring dedicated focus on growth.

For value creation of employees, the Company has activated incentive scheme throughout the organization, while also completing four rounds of ESOPs. Furthermore, 2% equity holding vests in the Employee Welfare Trust for enabling long-term wealth creation for employees.

Key stats

3
Recycling verticals

11
Recycling plants

27
Own scrap collection yards

300+
Global customer base

1,400+
Collection touchpoints

1.60L+
Production capacity (MT)

44%
Share of customized/ value-added products

65%
Capacity utilization

33%
Overseas capacity utilization

1.60L+
Scrap collection (MT)

1st ILA
Accredited plant in Asia

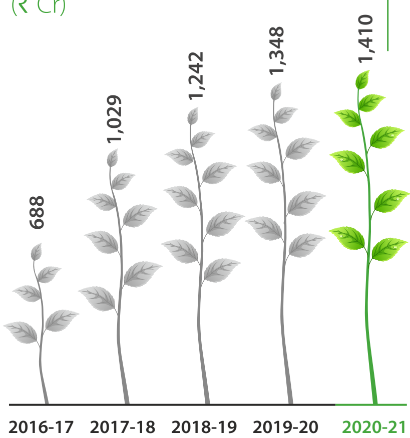
60,000
Open order book (MT)

1450+
Workforce

Financial performance indicators

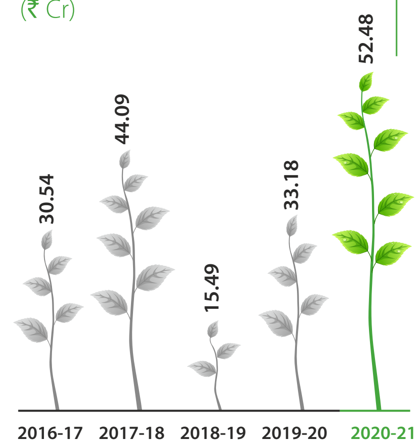
In FY2020-21, we were able to demonstrate the resilience of our evolving business model, which enabled us to preserve our financial position and strength even in challenging business conditions.

Revenue from operations
(₹ Cr)

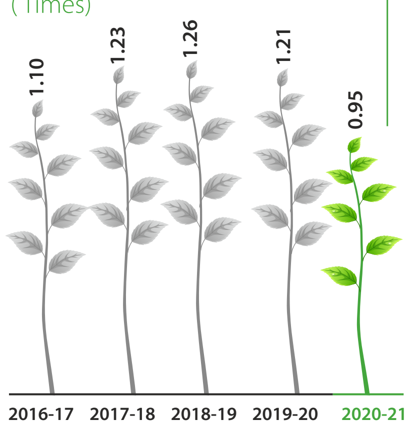


EBIDTA
(₹ Cr)

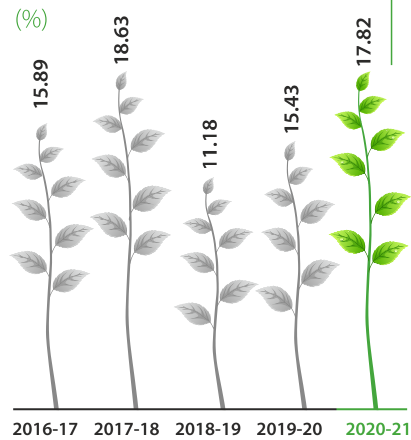
PAT
(₹ Cr)



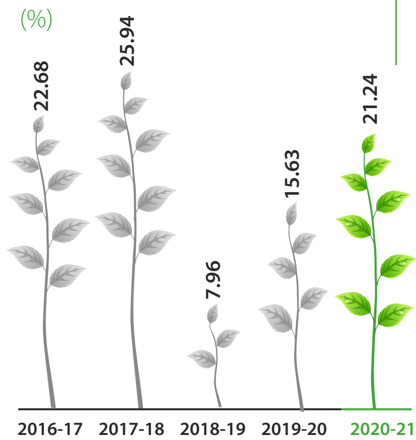
Debt Equity Ratio
(Times)



ROCE
(%)



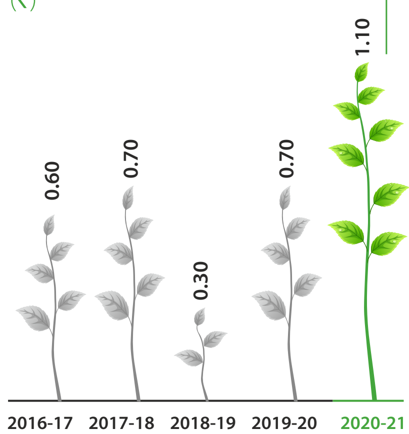
ROE
(%)



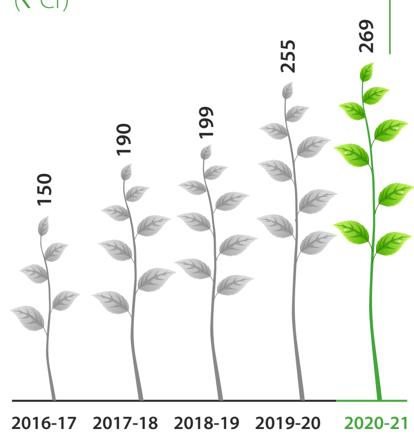
(All figures are of consolidated numbers)

Earnings per share
(₹)

Dividend per share
(₹)



Networth
(₹ Cr)



27%
Revenue CAGR
5-years

64%
PAT CAGR
5-years

A-
Credit rating from
Brickwork

10 years
consistent
dividend payouts

Top-10 features of our performance

Continuous slower expenses vs. higher revenue growth, thus enhancing profitability

8-9% consistent EBIDTA margins

Back-to-back hedging mechanism and 100% core inventory hedging, which enables margin locking and thus assures visibility and predictability

60%+ profit accrued from overseas business with only 25% of the capital employed

46% revenue derived from value-added products

33% revenue garnered from overseas business with 71% share of profit

13% reduction achieved in short-term debt (including current maturities)

16% reduction achieved in net working capital to 76 days on the back of higher domestic scrap availability and lower imports that reduces transit inventory

336% swing-back in free cash flow from 2019-20 to 2020-21

55% growth in domestic scrap collection in India

Key milestones in our journey

1994
Commenced operations through recycling plant in Jaipur

2001
Established first overseas recycling unit in Sri Lanka

2007
Established first recycling unit in Africa Continent

2010
Listed on the BSE and NSE through IPO

2013
Ventured into value-added products at Jaipur plant

2015
Diversified into Plastic recycling in central America

2016
Diversified into Aluminium recycling in India

2019
Started aluminium and plastic recycling facilities in Africa

2021
Revenue Crossed ₹ 1400 cr

Letter from our Chairman

"As a Company that deeply cares about the future, we continue to focus on our key mantra of recycling for a sustainable tomorrow by leveraging our strategic pillars to create long-term value for our stakeholders, especially our planet."

- Dr. M. P. Agarwal
Chairman & Whole time Director
DIN: 00188179

Dear shareholder

What a year 2020-21 has proven to be. Yet, I'm pleased to report that Gravita has performed with resilience during this COVID-impacted year. We maintained full services to our customers once lock-down restrictions begin to ease, kept our people safe from the worst effects of the pandemic, and our financial performance was more robust than we had originally anticipated. (General courtesy dictates to attribute the credit for overall performance to all team members and leaders). This performance was a reflection of the sheer dedication and commitment of our people and I must especially compliment senior management for leading from the front in a challenging business environment.

Demonstrating our values during the pandemic

The year FY 2020-21 started in challenging market conditions and I am immensely proud of the way Gravita responded by adapting work practices to provide safe, reliable and efficient services to our customers, despite the major disruption caused by the pandemic.

The safety, health and well-being of all Gravita's staff, contractors, customers, and members of the public remains paramount. In response to the situation, we rapidly established COVID-19 response under the direct supervision of the senior management team that continues to meet regularly to discuss the evolving situation and take decisive action. Early on, we established three absolute priorities:

- Keep our people safe
- Keep operating in a sustainable manner
- Maintain our essential services to our customers

These priorities remain relevant even today and I am pleased to report positive outcomes to date across all the three values. While COVID-19 continues to impose a challenging impact on our economy, the people that make up Gravita have pulled together to help one another through these challenging times. COVID-19 resulted in identifying and implementing new business and operational opportunities which improved the overall efficiency of our operations.

We knew that our customers needed our support during these challenging times and we remained at optimal capacity to service their needs, while also transitioning our office-based employees to working from home arrangements in line with government directives and health advice. We focused on our most affected customers to provide them with appropriate solutions to help them navigate through turbulent times arising due to lockdown restrictions imposed to curb the pandemic. Importantly, the pandemic has made it clear that our strategy is robust, manifest in our financial performance for the year.

- Our revenues are up by 4.59% to ₹ 1,409.74 cr
- Our EBIDTA is up by 20.33% to ₹ 117.29 cr
- Our net profit is up by 58.17% to ₹ 52.48 cr
- Our earnings per share is up by 60.16% to ₹ 7.72

In light of enhanced performance, the Board of Directors recommended an interim dividend of ₹ 1.10 per share (payout of 55% on face value per share of ₹ 2) in January 2021.

Business and markets

Given the circumstances, the markets in which we operate held up relatively well. Furthermore, as the year progressed, we became increasingly skilfull at adapting to new methods of operations and working practices to deal with the persistent challenges that came our way. Consequently, the adverse impact on our business reduced to an extent, that by the end of the fiscal year we were able to deliver an overall strong and credible performance.

It must be noted that the multi-product, multi-geographic nature of our business added to our resilience through diversification. Our non-Lead businesses, including those comprising aluminium and plastic recycling and turnkey services contributed over 12% to our revenue during the year, as against 11% in the previous year, despite a sharp reduction in our turnkey projects business, which was an outcome of customers withholding or deferring capex. We believe this is transitory and our turnkey projects business should fully recover over the next two years.

Leading in Lead Recycling

Gravita is one of the largest recyclers of non-ferrous metals in India with leadership position in Lead recycling.

Recovering and recycling Lead has tremendous environmental advantages and, to my mind, recycling and reuse is the way forward to address the most pressing issues of climate change and sustainability. Indeed, The Circularity Gap Report 2021 has indicated that society cannot achieve its carbon reduction targets without significantly increasing the reuse of materials in a circular economy. Furthermore, today's global GHG emissions stand at about 55 billion tons of CO_2 equivalent, with the Intergovernmental Panel on Climate Change concluding that global emissions must reach close to zero by 2050 for us to have a reasonable probability of restricting warming to 1.5^{0}C above pre-industrial levels.

We have therefore maintained our singular focus on evolving Gravita to address these critical challenges for our shared future. We are committed to making a positive impact on all the societies within which we operate, reducing our own carbon emissions, reusing materials for preserving virgin materials and engaging with and educating our communities about the importance of a circular economy.

Unlike most other materials, Lead can be re-melted and recycled indefinitely without the slightest diminution in quality, making it the perfect material for the circular economy which is rooted in reducing energy and greenhouse gas emissions. Its fundamental properties make it easily identifiable and cost-effective to collect and recycle. More than 50% of Lead used in the production of new Lead products around the world is sourced from recycled Lead.

Our Lead and Lead products are used in a wide range of industries, including for several value-added and specialist applications. Infrastructure and automobile industries are the key demand drivers for Lead in India. Other industrial uses include its use in automotive batteries, construction, medical equipment, chemicals and in the oil and gas industry. As a leading recycled Lead producer in the world, we are committed to delivering the highest quality products to our clients with the highest standards of ethical control and compliance.

Furthermore, we strongly believe in continuous innovation through investment in Research and Development and have thus made significant progress in these fields, especially in the realm of sustainable recycling, to ensure that green technologies are developed and deployed throughout the world, as manifested in our 60+ turnkey projects operating successfully both in developing and developed economies.

Reinforcing sustainability

The pandemic has provided an opportunity for and self-reflection for business and society. This has given strength to the growing body of opinion amongst the investor community and society in general that businesses should profit through a meaningful purpose, give greater credence to all stakeholders, and ensure sustainability is embedded in the way that businesses operate.

At Gravita, we have long held the view that sustainability is key and that we should take into account the needs and expectations of all our stakeholders, whilst delivering appropriate financial returns to our shareholders on the investments we make. It is imperative that we contribute to the health of our planet by intensifying our efforts in resource recycling in which by have built deep competence, expertise and global scale.

Thus, reinforced by a sound business plan and strong and efficient operations, we have articulated "Vision 2025" that expresses our intent to venture into recycling of new resources, such as e-waste, lithium, rubber and copper, looking at 25%+ revenue contribution by non-Lead businesses. We will continue to make investment in our Lead, Aluminium and Plastic recycling businesses, thus expanding our core and judiciously allocating capital to enlarge our footprint in other chosen verticals.

Closing thoughts

While the decisions we are making today are underpinned by existing market economics, momentum is building amongst policy-makers in relation to global recycling and waste management. As the targets and actions in BMWR (Battery Waste Management Rules), EPR (Extended Producer Responsibility), Vehicle Scrappage Policy, GST/e-way bill, etc.,are more fully implemented, we expect further investment opportunities to emerge.

These will complement the opportunities we continue to explore with our customers in helping them achieve their sustainability goals and targets. Further, these regulations also represent a tailwind in the sense that these will help consolidate and organise waste collection, enhance the availability of domestic scrap, reduce imports and logistics costs and improve working capital and our utilisation standards. Specifically, we are also looking at streamlining our plastic recycling business to unlock further potential, explore export opportunities to the EU and US and identify opportunities in granulation in Senegal.

Maintaining a social license to operate is key to our sustainability, and we strive to continually improve our systems and processes, our engagement with the community, our interactions with our stakeholders and our service to our customers.

In closing my report, I would like to thank the Board for the support and wise counsel given to enable strategic stewardship. Making a sustainable future possible is a mission that unites the more than 1,200 people who make Gravita the Company that it is.

Thank you for your continuous support.

Best wishes,

Dr. M.P. Agarwal

Chairman & Whole-time Director
DIN: 00188179

Our investment case

We have a deep and unrivalled understanding of the global Lead recycling market, which comes with nearly three decades of experience. This, along with our scalable infrastructure, distinguishes us from our competitors and underpins our exciting forward outlook. Furthermore, our robust and well-integrated business model presents a compelling investment case, despite the challenges triggered by the COVID-19 pandemic.

Enabler of the circular economy

We are India's leading sustainable recycling Company and have been at the forefront of the recycling industry for more than 29 years. Today, Gravita is an established enabler of the circular economy, with global operations that span the entire breadth of the recycling process, from collections to recycling, to treatment to customer delivery. Furthermore, our growing focus on other resources, including Aluminium and Plastic recycling, broaden our offering to our customers and enable us to operate at the top of the recycling hierarchy.

Sustainability at our core

We have an ambitious approach to sustainability. Our sustainability strategy includes bold ambitions for becoming a more integral part of the green economy through our Vision 2025 that envisages infrastructure investment in recycling of resources, such as e-waste, rubber, etc. Furthermore, the progress we have achieved in delivering our business strategy during the year, such as expanding our plastic recycling operations which witnessed a solid 29% sales volume jump, better margins derived from our Aluminium recycling operations, improved margins in our Lead business via higher value-added product sales as well as capacity enhancement in our overseas Lead recycling facilities, etc., position us well for the future.

Fostering a business model that unites purpose with profit

Our performance to date, especially through the pandemic, demonstrates the resilience of our model as a provider of essential products. The delivery of our strategic investment programme which entailed a capex of ₹ 21 cr expensed in 2020-21, enhances our unique position at the heart of the circular economy. We have exciting growth opportunities ahead, and will continue to invest to build a resilient, more sustainable business, well-positioned for a strong post-pandemic future.

Strategy for growth

We have continued to deliver on our plan to consolidate the fragmented resource collections market. Further, our focus is maintained on initiating multiple growth fronts, including operationalizing our new recycling unit in Mundra, Gujarat, fast-tracked on account of the increase in domestic scrap procurement, pilot project of rubber recycling in Ghana, Africa, copper and steel recycling feasibility in Africa. Moreover, in order to ensure seamless management of a growing business, we have placed emphasis on automation of all head-office processes, which will also improve our capital allocation and decision-making strategies.

Attractive market dynamics

Our markets are underpinned by long-term growth drivers such as a national move to increase recycling, reduce waste going to landfill, and prevention of export of waste. Gravita is well-placed to benefit from the shift from the informal to the formal sector through redefinition of regulations such as the Battery Waste Management Rules (BWMR), Extended Producers Responsibility (EPR), and more stringent implementation of GST. These measures will further improve scrap availability for the formal recycling sector, thus bolstering the foundations for attractive long-term growth.

Back-to-back hedging arrangements

Being exposed to the risk of commodity price fluctuations, the Company has effectively mitigated this risk through back-to-back hedging mechanism. Under this arrangement, metal equivalent of the scrap bought is sold on the same day, thus providing a natural hedge through pricing against customer contracts as well as through forward contracts on the LME (London Metal Exchange) for balance quantity till the final sale to customer. Furthermore, in a significant forward-looking initiative, the Company also activated hedging of the core inventory from June 2019 by taking forward contract on the LME. This has ensured stable margins and least exposure to commodity price fluctuations.

Strong service delivery

We have a deep and unrivalled understanding of the global Lead, Aluminium and Plastic recycling markets, with decades of rich experience. Our strong heritage, brand and reputation, deep knowledge along with our scale, embedded collection network and superior operating efficiencies gives us a competitive edge and makes it challenging for new and existing players to compete with us.

Our business model

Our business model is geared towards creating sustainable value. Thus, our value creation story defines our strategic pillars and indicates how the inputs we draw on are transformed through our business activities to create positive outcomes for our stakeholders.

Strategic pillars

People	Our people comprise purpose-driven teams, technical experts and young educated dynamic workforce that share a strong operating culture.
Earth	We utilise with care natural resources, including energy, materials and water in our daily operations.
Markets	We demonstrate strong partnering capabilities with input providers to serve our customers across major market sectors.
Assets	We have a robust global network of strategic infrastructure, facilitating both waste collection and onward recycling.
Financials	We are disciplined in our capital allocation and reinvest profits judiciously for achieving our long-term growth aspirations.

Our major focus areas

We see waste as a resource and leverage our position.

We extract the maximum value from every ton of waste from our operational efficiency to create long-term sustainable value for our stakeholders and the environment.

We work with our partners to advance resource recovery technologies, thus supporting markets for recycled commodities.

Long-term value creation

People	We provide secure and meaningful employment for our people. We develop our people's skills and capabilities and strive to provide a safe working environment.
Earth	Our recycled commodities reduce demand for primary resources and circumvent the associated impacts with regards to energy, emissions, etc.
Markets	We help our customers and partners achieve their sustainability goals and targets, while contributing to policy evolution too.
Assets	Our Vision 2025 strategy will help develop a strategic moat for our business, enable robust diversification, and ensure we keep pace with growing sustainability demands and expectations.
Financials	We deliver strong and predictable financial performance; we also contribute to the national economy in the countries we operate through salaries to employees, taxes to governments, etc.

Our approach to ESG integration

ESG (environmental, social, and governance) principles are gathering momentum globally against the backdrop of the COVID-19 pandemic with more stringent sustainability disclosure requirements by governments and regulatory authorities.

Sustainable investing assets in five major global markets grew at a CAGR of 7.3 per cent to US$ 35.3 trillion from the start of 2020, outpacing the CAGR of 3.5 per cent for professionally managed assets, as per a report by Kotak Institutional Equities.

At Gravita, we have embedded ESG and sustainability principles throughout our operations and the business, enabling us to steward shareholder and institutional capital responsibly in fostering a multi-stakeholder business model and creating value for all.

Our ESG dashboard

11
Recycling plants

105,000 MT
Recycled products delivered

4
Rounds of ESOPs

2%
Equity holding in Employee Welfare Trust

A-
Ratings by Brick work

50%
Independent Directors on our Board

2
ILA Registered plants

Environmental:

As a Company that is at the heart of the circular economy, our focus on recycling for a better future is naturally explicit of our intent to preserve and protect the environment. Operations-wise, our focus on the environment is reflected in the following initiatives:

Waste recycling:

- Use of Lead, Aluminum and Plastic scrap in the manufacture of finished products with a well-established process of scrap collection and recycling
- Robust systems to mitigate exposure risk of hazardous/toxic materials

Nature conservation:

- Concerted tracking of precious natural resources throughout our operations, including water, energy and raw materials

Energy conservation:

- Installation of variable frequency drives (VFDs) for all fan motors across major processes
- Optimisation of motor and gearbox in Aluminium ingot casting machine, thereby reducing power consumption of driving motor

Alternate energy:

- Utilization of alternate sources of energy
- Active plans to install rooftop solar panels at workshop sheds for plants situated in Chittoor, Phagi and SEZ Jaipur, thereby minimising electricity consumption from state utilities

Social:

Events over the last 12 months have affected all our lives, and the disruption has been significant. Nevertheless, we have continued to invest in our people in order to strengthen our business and protect our culture. Our people have shown extraordinary adaptability and resilience. Thus, as part of our commitment to being a responsible business, we fulfill a number of initiatives.

Engagement platforms for customers and partners:

- Organise ongoing meetings with customers and customer satisfaction surveys.

Product/service safety and quality:

- Identify areas for improvement across every stage of the manufacturing process to unlock the best value possible in our products.

Diversity and inclusion:

- 60+ permanent women employees as on 31st March 2021, with ongoing focus on enhancing women in our workforce.

Lower staff turnover rate:

- Low average staff attrition, it being the least for employees of age above 44 years at 1%, thus reflecting preservation of intellectual capital.

Employee well-being programs:

- Well-defined policies/principles to foster comprehensive employee safety and wellbeing, which not only takes care of the wellness of employees but also the environment

CSR initiatives:

- Approach of CSR activities rooted in creating impact at the grassroots across health, education and environment.







Governance:

Our Board views governance through its decision-making capabilities, and provides oversight to promote organizational success for the long-term benefit of our shareholders, while upholding the interests of other key stakeholders, including customers, employees and the communities in which we operate. Effective governance facilitates the delivery of our purpose and strategy, particularly in challenging times.

Business ethics:

- Focus on building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, through integrity, equality, transparency, fairness, disclosure, accountability and commitment to values.

Details of related party transactions:

- Disclosure with regards to transactions and balance outstanding with related parties provided in the annual report.

Diversified Board composition:

- 50% of our Board comprises independent Directors.

Financial expertise of audit committee:

- All members of the audit committee are financially literate and possess thorough knowledge of accounting, taxation and financial management.

Executive pay performance alignment policies:

- Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay.

Quality – the biggest imperative

At Gravita, we have always believed that nothing rewards more than great quality. We take pride in our ability to deliver the highest standards of quality products to our clients – each and every time. Our capability emanates from consistent initiatives to increase quality awareness amongst our employees across units and hierarchies. Our Lead smelting operations are certified to the internationally recognized quality standard ISO 9001.

The zeal towards maintaining & harnessing quality focus into the organisational culture has made us win several accolades and awards which includes:

- Selected by International Lead Management Centre under United Nations Environment Programme (UNEP) as a partner for eco-friendly recycling initiatives in Senegal
- Niryat Shree Award (2014, 2016) by the Honourable President of India

- The President's National Awards for Export Achievement 2014 & 2015 by Ghana Export Promotion Authority
- Best Employer 2015 Award by the Employers' Association of Rajasthan
- Recognized as Star Export House by Govt. of India
- Business Today Green SME Award
- MSME National Award
- Business Leadership Award
- Innovative 100 Award by Inc. India
- Emerging India Award
- Best Performing company in Non Ferrous Metals







Management Discussion and Analysis Report

Global Economic Review

The world went through an unprecedented health crisis that snowballed into a deep economic crisis in the form of a pandemic in 2020.

Almost all global economies announced a lockdown starting in early 2020 to curb the spread of the virus. This resulted in a contraction in global GDP by 3.3% in 2020 (Source: IMF). The global contraction was led by Advanced Economies (AEs) where GDP shrunk by 4.7%. Within AEs, the highest decline was seen in the UK at 9.9%, followed by the Euro area at 6.6% and the US at 3.5%. All AEs announced fiscal and monetary stimulus to support growth. As a result, fiscal deficit in the US is estimated to have increased to 14.9% of GDP in 2020, from 4.6% of GDP in 2019. The UK and Euro area too followed expansionary fiscal policies. Expansionary fiscal policy went hand-in-hand with monetary accommodation, which included slashing of interest rates, asset purchase programmes and provision of liquidity to different segments of the economy to mitigate the economic impact of the pandemic. The GDP of Emerging and Developing Economies (EMDEs) is estimated to have contracted by 2.2%, led by Latin America that recorded a decline of 7% in 2020. Notably, Asia was relatively better placed, with EMDEs reporting a decline of 1% in 2020, compared to much sharper contraction witnessed in the other parts of the world.

The overall decline in global GDP led to an 8.5% reduction in world trade volumes in 2020, as restrictions disrupted supply chains. Global commodity prices also declined sharply in 2020, led by oil. However, the underlying economic conditions seem to have changed dramatically with the availability of vaccines and gradual opening of lockdown restrictions. The monetary and fiscal stimulus given by governments and central banks has led to resurgence in demand, in particular for goods, which has stoked inflationary pressures. More importantly, there has been a significant progress in terms of vaccinations being able to reduce the spread of the pandemic.

The IMF expects global growth to rebound to 6% in 2021. While AEs are expected to grow by 5.1% in 2021, EMDEs are projected to grow by 6.7%. Within AEs, growth is expected to be driven by the US at 6.4%, followed by the Euro area at 4.4%. Within emerging economies, Asian economies are slated to grow by 8.6%, followed by Latin America at 4.6%.

Overview of the World Economic Outlook projections (Percent change, unless noted otherwise)

Particulars	Amount (₹ in Lacs)		
	2020	2021 (P)	2022 (P)
World output	**-3.3**	**6.0**	**4.4**
Advanced economies	**-4.7**	**5.1**	**3.6**
- United States	-3.5	6.4	3.5
- Euro area	-6.6	4.4	3.8
- Japan	-4.8	3.3	2.5
- United Kingdom	-9.9	5.3	5.1
- Canada	-5.4	5.0	4.7
- Other advanced economies	-2.1	4.4	3.4
Emerging market and developing economies	**-2.2**	**6.7**	**5.0**
China	2.3	8.4	5.6
India	-8.0	12.5	6.9
ASEAN-5	-3.4	4.9	6.1
Middle East and Central Asia	**-2.9**	**3.7**	**3.8**
Sub-Saharan Africa	**-1.9**	**3.4**	**4.0**

Source: IMF staff estimates

The sudden rebound in world demand led to sharp increase in global commodity prices and long-term growth outlook. Global growth even in 2022 is estimated to maintain above average momentum at 4.4%. Governments over the globe are acting faster with relief and stimulus measures. Going forward, the sustenance of global growth will significantly rely on policy support and public health measures, including the pace of vaccination, which is considered a major economic stimulus in itself.

Indian Economic Overview

India, just like the other countries of the world, imposed a stringent lockdown, while health infrastructure and systems were being ramped up. The lockdown meant economic activity taking a backseat, with contact-intensive industries suffering the most.

The national economy, after having regained positive growth of 1.6 per cent in the last quarter of financial year 2020-21, faced renewed challenges on account of the second wave of the pandemic, emergence of new mutant strains of virus, and consequent rise in infections and mortalities. As per the estimates released by the National Statistical Office (NSO) in May 2021, real gross domestic product (GDP) contracted by 7.3 per cent in 2020-21, as compared to a growth of 4.0 per cent in 2019-20. The contraction in real gross value added (GVA) at basic prices for FY 2020-21 is estimated at 6.2 per cent. For the financial year under review, two sectors recorded positive growth in GVA, i.e. agriculture and electricity, gas, water and other utilities. Moreover, private consumption with a growth of 2.7 per cent emerged out of three successive quarters of contraction, with Government spending surging back to 28.3 per cent during the fourth quarter. According to the Reserve Bank of India (RBI), GDP is now projected to grow by 9.5 per cent in FY 2021-22.

GDP growth trajectory, FY 2021-22 (per cent)

Apr-June	July-Sept	Oct-Dec	Jan-Mar*
-24.2	-7.3	0.4%	-0.7

* Based on CSO estimates of -8% growth rate

With the stringent national lockdowns creating an output gap, this was sought to be filled by expansionary monetary and fiscal policies. Thus, the Government announced economic measures ranging from cash transfers to allocation of food grains to marginal households, increase in rural employment spends, higher capital investments, and credit guarantee scheme for MSMEs and sectors most impacted by the pandemic. As a part of its counter-cyclical fiscal policy, the centre expanded its fiscal deficit to 9.3% of GDP in FY 2020-21. Furthermore, the RBI not only reduced its policy rate by 115 bps to 4%, but also took effective measures such as liquidity injection. Overall, ₹ 15.7 lakh crore support was provided by RBI, amounting to 8% of GDP. It also advised banks to offer moratorium to customers impacted by the pandemic.

Moreover, the central bank also allowed banks to restructure loans to MSME and retail customers who were impacted the most by the pandemic. Hence, the measures announced by the Government and RBI and the opening up of the economy led to growth recovery from October 2020 onwards. Scientists all over the world developed vaccines, which proved quite effective against COVID-19. India was one of the few countries able to discover an indigenous vaccine.

Furthermore, on the positive side, several aspects of aggregate supply conditions, such as agriculture and contactless services provide tailwinds towards growth revival. Industrial production and exports have surged on strong base effects, and there is evidence of positive momentum too. Going forward, the speed and scale of vaccination will shape the path of economic recovery.

Lead: A versatile, infinitely recyclable, everyday resource

Lead is a soft, dull, malleable chemical element with the symbol "Pb", which can be derived from mined ores, such as Lead sulphide (PbS) galena, cerussite (Lead carbonate) and anglesite (Lead sulphate), and scrap, including batteries, pipes, etc. Lead finds its major application in Lead batteries, followed by pigments, ammunition, cable sheathing, etc. The Lead market is segmented by application and geography. By application, the market is segmented into ammunition, batteries, construction, electronics, marine, plumbing and others.

Lead happens to be one of the earliest metals ever discovered by humans. Due to its highly corrosive-resistant characteristic, it was used by Romans in making water pipes and lining baths. In the ancient times, Lead was extensively used in making sculptures and ornamental objects as well. Furthermore, Lead was also important in roofing construction due to its water-resistive properties.

Over time, the application of Lead has become even more versatile and wide-ranging. In one form or another, Lead is everywhere and all around us. Below are some of the key uses of this versatile metal:

- Batteries: Lead finds its most important use in the form of batteries for the automobile industry. Batteries account for about 80 per cent of worldwide Lead consumption, and over two-thirds of the minor metal end up in car batteries.
- Colouring pigment: Various Lead forms are used, such as white Lead, Lead chromate and Lead sulfate in coloring applications, such as in paints and ceramic glazes.
- Soldering material: When Lead is alloyed with other metals such as tin, it is used for soldering electronic parts because of its low melting temperature.
- Sheathing and insulation: Lead is usually used as a cost-effective additive in plastic PVC used for covering electrical wirings. Attributing to its high density property, Lead is essentially used as a sheathing material in high-voltage power cables.
- Roofing: As a water-resistant metal, Lead sheets are used in the construction industry for weathering, such as cladding and roofing to avoid water penetration.
- Radiation shielding: Lead is present in aprons, which protect patients during X-ray. It is also an important shield against gamma radiation.

- Semiconductors: Photovoltaic or solar energy cells and infrared detectors make use of Lead selenide, Lead telluride and Lead antimonide.

  In addition to these fundamental uses of Lead, other beneficial uses of this metal include the following:

- Lining of acid plants, chemical treatment baths and storage vessels
- Glazing bars in stained glass and other multi-lit windows
- Lead strips are used in making tennis rackets for more weight
- In sculptures and statues, with Lead moldings used as decorative designs

Lead is mixed with other metallic elements to form alloys that find critical application in the industrial environment. Examples of these alloys include tin, arsenic, copper, cadmium, sodium, bismuth and antimony. Lead is also needed to make bearings, solder, type metal and anti-friction metal.

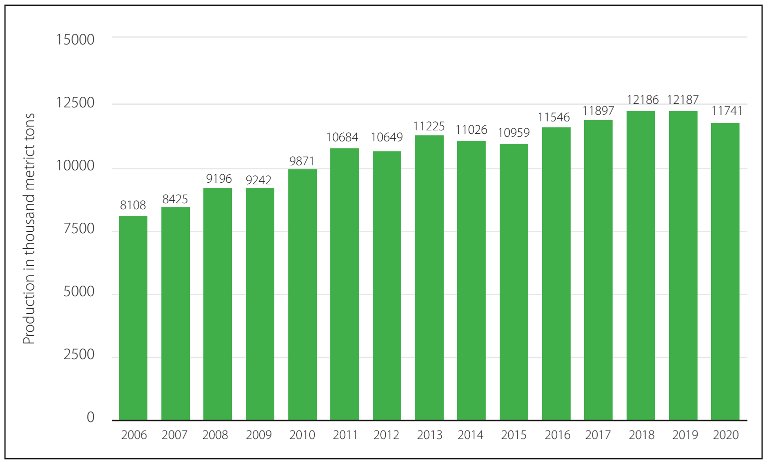
Global Lead industry overview

Reserves, production and consumption

The world's reserves of Lead were estimated at 90 million tons in terms of Lead content. Australia possesses 40% of the world's reserves followed by China (20%), Russia and Peru (7% each), Mexico and USA (6% each), etc. China is foremost amongst producing countries with about 2.28 million tonnes (48%), followed by Australia (9%), Peru (6%), USA and Mexico (5% each), Russia and India (4% each), etc. The largest single use of Lead worldwide today is in the manufacture of Lead batteries, which is about 74%.

Global Lead production contracted by around 3.7 per cent between 2019 and 2020, declining to around 11.7 million metric tons. This is the first recorded dip since 2015, and factors such as reduction in Lead mining in China and India during the first quarter of 2020 as a result of the Covid-19 pandemic are attributable to the decline. As of 2020, China was the main Lead producer, followed by Australia. Chinese Lead mining during the year reached 1.9 million metric tons, about 43 per cent of the world's total mine production.

The global health crisis led to a reduction in the global demand for Lead. Global Lead consumption contracted by around 5 per cent to some 11.5 million metric tons in 2020. This drop is in conjunction with Lead prices in the North American market dropping to less than US$ 90 per pound. Considering the pandemic scenario, construction activities were halted temporarily during the lockdown months to curb the spread of new infections. This triggered decreased demand for Lead-based products, such as Lead sheets, Lead clad steel and others from the construction industry. For instance, according to Eurostat, the production in construction declined by over 28% in the Euro area (EU-19) countries and by 24% in the European Union (EU-27) nations. Furthermore, the demand for Lead batteries had also moderated, owing to the temporary pause of the automotive manufacturing units during the lockdown. However, the demand for lead batteries, especially valve-regulated Lead batteries,



Source: www.statista.com

from the electronics and telecommunications industry has been robust during this period, with remote working and communications taking centre stage during the period.

Lead prices, 2020

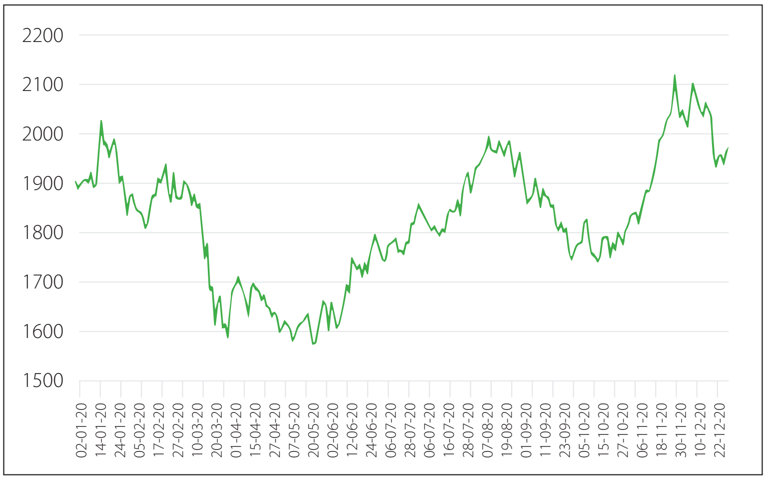
The volatility of 2019, which saw Lead prices end the year almost neutral, continued in 2020 too, a time when the coronavirus pandemic's impact was front and center. Thus, the pandemic-triggered lockdowns and containment measures hit the base metal during the first few months of the year, yet Lead prices rebounded in the second half.

Initially, the pandemic hit Lead hard, just like every other base metal. It was inevitable that when most of the world was in lockdown early in 2020, metal demand sunk. However, what became apparent quite rapidly was the essential nature of battery demand, even during lockdown. Although most cars were parked up, trucks were still needed to ship supplies to hospitals, supermarkets and the like, while vans were needed to deliver online shopping and emergency services vehicles were busy.

Moreover, what also supported Lead prices from collapsing was industrial batteries that were crucial to keeping life running even in lockdown. Furthermore, stationary batteries also emerged essential for backup power at hospitals, data centers, telecommunications companies and other critical infrastructure. As a result, Lead batteries for these applications were required for both expanded capacity and replacement demand.

Analysing Lead price patterns, the metal started to rebound sharply in the second half of 2020, reaching a high of US$ 1,994 by mid-August 2020. The price recovery was stronger than expected, as the world emerged from lockdown. Yet, though demand was strong, supply worries increased as coronavirus-related mine disruptions persisted, particularly in South America.

LME Lead Prices



Source: London Metal Exchange 2020 Lead price performance

Thereafter, it wasn't until November 2020 that Lead prices pushed higher, hitting their yearly high on November 30 at US$ 2,117.50. However, prices cooled off and stood at US$ 1,972 by the end of the year 2020.

Key trends and forward outlook

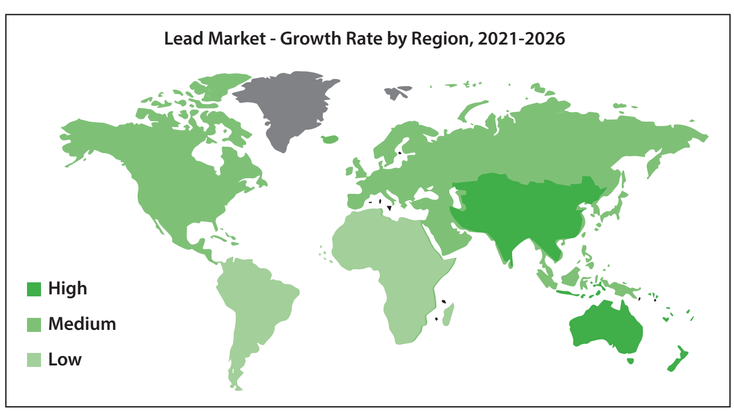
The global Lead market is projected to register a CAGR of over 2% over the 2021-26 period. Over the short-term, growing demand for Lead globally is likely to drive the market's growth. Asia-Pacific is expected to dominate global Lead consumption, with the majority of the demand coming from China, South Korea, Japan and ASEAN countries.

It is expected that the battery segment will continue to dominate the market. Lead batteries are used in the form of starting, lighting, and ignition (SLI) batteries, stationary batteries (telecom, UPS, energy storage systems, etc.), portable batteries (consumer electronics, etc.), among others. SLI batteries have major applications and are designed for automobiles and are therefore always installed with the vehicle's charging system. The major factor attributed to the growth of the SLI battery market is the increasing demand for these batteries to power start motor, lights, ignition systems and other internal combustion engines with high performance, long-life and cost-efficiency.

The Asia-Pacific region is widely expected to dominate the Lead market, with the majority of the demand coming from China and India. This is evident in the following:

- China is currently the largest market for electric vehicles. In April 2020, the government issued a notice on ways to promote financial subsidies for new electric vehicles. It stated that new EVs purchased between January 1, 2021 and December 31, 2022, would be exempted from vehicle purchase tax. This represents a major regulatory tailwind for EVs and hence Lead demand.
- Lead sheets are being used in the building and construction industry for roofing, cladding and for flashing/ weathering to prevent water penetration. Furthermore, high-density Lead sheets are being used for acoustic insulation purposes inside the building. Some of the other key applications of Lead-based products include cornices, gutters, parapets, electrical conduits and others.

  In 2020, the Chinese construction industry was valued at about US$ 1,049.2 billion and is estimated to reach about US$ 1,117.4 billion by 2021, registering a growth rate of about 6.5%, thereby is expected to enhance the demand for various Lead-based products from the construction industry.
- Growing production of electric cars and bicycles is likely to boost demand for Lead over the next couple of years, with China being projected to account for most of the growth. Thus, Chinese demand for Lead-based batteries remains strong and will continue over the foreseeable future. Electric bicycle retail



Source: Mordor Intelligence

sales in China reached 15.8 million units in 2020, representing an increase from 2019 due in part to users looking for socially-distanced alternatives for their daily commute.

- According to OICA, around 3.39 million vehicles were produced in India during 2020 compared, to 4.52 million vehicles that were produced in 2019, witnessing a decline rate of about 25%, thereby moderating the demand for the batteries used in the vehicles. However, pent-up demand post lockdown release, coupled with other factors like preference for personal mobility, are expected to remain long-term drivers of the automobile industry in the country.
- In India, the increasing number of solar power projects, and continuous expansion of telecommunication infrastructure are expected to drive the demand for Lead batteries in the country, which therefore will increase the demand for Lead over the long-term. Furthermore, major industrial conglomerates of the country have announced large investment plans in solar and green energy, which bodes well for the Lead sector.

Therefore, the aforementioned factors are expected to show a significant positive impact on Lead demand and consumption over the coming years.

Indian Lead market review

Storage battery scrap is the primary source of secondary Lead production. Lead is one of the highest recycled metals and it is very easy to recycle. It can be re-melted any number of times, and provided enough processes to remove impurities are performed, the final product, termed as secondary Lead, is indistinguishable from primary Lead produced from ore. The amount of Lead recycled is about 75% of the total Lead production in India. More than 70% of lead consumed in the country goes into the manufacturing of Lead batteries. Lead, when used as metal in batteries, cable sheathing and sheathing for containing radiation, is fully recyclable and does not lose its properties. There is indeed a thriving industry that recycles Lead in the country.

Key mining and consumption trends

The ever-increasing demand for Lead, especially from the Lead battery sector, is met by the thriving market of Lead scrap recycling. The Government of India enacted the Battery Management and Handling Rule (BMHR), 2002, which will further increase the availability of scrap from the organised sector. It is estimated that 56% of refined Lead produced worldwide is from recycled material. Producing Lead through this route requires around one-third of the energy needed to extract it from its ores. Recovery of secondary Lead is economically more attractive because of certain advantages. Besides lower energy consumption, it also entails low capital cost, less environmental hazards and high metal content.

As per a government report, the total metal content in reserves/resources of Lead is 13 million tons. In terms of reserves, 2.48 million tons of Lead metal have been estimated. Rajasthan is endowed with the largest reserves/resources of Lead-zinc ore amounting to 670.34 million tons (89.44%), followed by Andhra Pradesh at 22.69 million tons (3.03%), Madhya Pradesh at 14.84 million tons (1.98%), Bihar at 11.43 million tons (1.52%) and Maharashtra at 9.27 million tons (1.24%). Resources are also established in Gujarat, Meghalaya, Odisha, Sikkim, Tamil Nadu, Uttarakhand and West Bengal.

The market for Lead battery in India is expected to grow at a CAGR of around 10% during the 2019-24 period. The country is planning to diversify its energy sources, in addition to its target of providing 24x7 electricity supply to every citizen by making large investments in renewable energy generation capacities. Thus, growing solar power generation plants in the country are expected to create significant opportunities for India Lead battery market in the future. Furthermore, the SLI battery sector accounts for the largest share in the India Lead battery market owing to the increasing demand from the automotive sector.

In terms of segment-wise application, the battery industry in India consumes about 70% of Lead, and the remaining 30% is used by a large number of industries for various applications, including in pigments and compounds, rolled and extruded products, alloys, cable sheathing and other industries. As per www.statista.com, the consumption volume of refined Lead in India was around 837,000 metric tons. Moreover, there was an increase in the consumption volume during the year in comparison to the preceding year (2019), which was at 610,000 metric tons.

Assuming a modest 5% incremental consumption every year, Lead consumption will expand to about 1.30 million tons in 2024-25. In addition to this, acceptance of recycled Lead has enhanced across Lead-consuming industries. This confidence is reinforced by the fact that frontline Lead recycling companies like Gravita produce superior quality Lead products, thus ensuring quality tolerances.

Key demand drivers

- **Automobile industry**

  Domestic automobile production increased at 2.36% CAGR between FY 2016-20, 26.36 million vehicles being manufactured in the country in FY 2019-20. In FY 2020-21, the total passenger vehicles production reached 22,652,108 units. Two-wheelers and passenger vehicles dominate the domestic Indian auto market, accounting for 80.8% and 12.9% market share, respectively (FY2019-20).

The Government of India encourages foreign investment in the automobile sector and has allowed 100% foreign direct investment (FDI) under the automatic route. Some of the recent initiatives taken by the Government in Union Budget 2021-22 including the launch of the voluntary vehicle scrappage policy, is likely to boost demand for new vehicles after removing old unfit vehicles currently plying on the roads. Moreover, a sum of Rs. 57,042 crore for automobiles and auto components sector in production-linked incentive (PLI) scheme under the Department of Heavy Industries has been allocated.

Going into 2020-21, the Indian auto industry is expected to record strong growth, post recovering from effects of COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in 2021-22. A study by CEEW Centre for Energy Finance recognised US$ 206 billion opportunity for electric vehicles in India by 2030. In addition, projection for EV battery market is forecast to expand at a CAGR of 30% until 2026.

- **Telecommunications**

Currently, India is the world's second-largest telecommunications market with a subscriber base of 1.16 billion and has registered strong growth in the last decade. The Indian mobile economy is growing rapidly and will contribute substantially to India's GDP, according to a report prepared by the GSM Association (GSMA) in collaboration with Boston Consulting Group. The reformist policies of the Government have been instrumental along with strong consumer demand in the rapid growth of the Indian telecom sector. The deregulation of Foreign Direct Investment norms have made the sector one of the fastest growing and the top-five employment opportunity generator in the country.

The Government has fast-tracked reforms in the telecom sector and some of the key initiatives include the creation of a Rs. 12,195 crore (US$ 1.65 billion) production-linked incentive (PLI) scheme is expected to bring in investment of around Rs. 3,000 crore (US$ 400.08 million). Further, the number of internet subscribers in the country is expected to double by 2021 to 829 million and overall IP traffic is expected to grow four-fold at a CAGR of 30% by 2021.

- **Inverters / UPS**

There exists huge demand for inverters and UPS systems in various sectors across India. The major driver is the IT sector, followed by the IT-enabled services and industries, including telecom, banking, financial services and insurance (BFSI) and manufacturing. Low electrification in semi-urban and rural areas has also led to the rising demand for power inverters, which are being used as an alternate power source during power cuts and emergencies. Besides, the heavy use of electronic gadgets and appliances such as mobile phones, laptops, smart TVs, air-conditioners, etc., has also led to the requirement of more backup power.

Thus, as per a report from Research on Global Markets, the Indian inverter market is expected to reach Rs. 277.83 billion in 2023, growing at a CAGR of 9.33 per cent. This can be attributed to the demand for power backup solutions across the residential, commercial as well as industrial sectors. Besides, there is rising demand from Tier 2 and Tier 3 cities as well. Moreover, the Indian UPS market is expected to reach as size of Rs. 99.83 billion in 2023, recording a CAGR of 11.97 per cent. Growing investments in IT and the rapid development of the IT sector have significantly contributed to the growth of the UPS system market.

- **Non-conventional power**

Installed renewable power generation capacity in India has increased at a fast pace over the past few years, posting a CAGR of 17.33% between FY14-FY20. Power generation from renewable energy sources in the country reached 127.01 billion units in FY2019-20. It is expected that renewable energy will account for 55% of the total installed power capacity by 2030.

As of March 2021, installed renewable energy capacity stood at 94.43 GW. The country is targeting about 450 gigawatt (GW) of installed renewable energy capacity by 2030 – about 280 GW (over 60%) is expected from solar. From April 2015 to February 2021, India has added 117.9 GW of power generation capacity, including 53.4 GW from renewable sources. According to the Ministry of New and Renewable Energy (MNRE), another 49.59 GW of renewable energy capacity is under installation and an additional 27.41 GW of capacity has been tendered. This puts the total capacity of renewable energy projects (already commissioned or in the pipeline) at ~167 GW.

The government is aiming to achieve 225 GW of renewable energy capacity by 2022, much ahead of its target of 175 GW as per the Paris Agreement. In the Union Budget 2021-22, MNRE was allocated Rs. 5,753 crore (US$ 788.45 million). Under Union Budget 2021-22, the government has provided an additional capital infusion of Rs. 1,000 crore (US$ 137.04 million) to Solar Energy Corporation of India (SECI) and Rs. 1,500 crore (US$ 205.57 million) to Indian Renewable Energy Development Agency.

Outlook

Improving market dynamics in Lead recycling with framing of new regulations is bound to boost the prospects of organised players in the Lead recycling business.

For instance, the government has proposed new rules for battery waste management that will make it mandatory for manufacturers and dealers to collect used batteries against the new ones they sell. The proposed draft rules under 'Battery Waste Management Rules 2020' puts the responsibility of collection of batteries and their safe transport to only registered recyclers, while ensuring that the environment is not harmed during its transportation. Moreover, the Extended Producer Responsibility (EPR) laws, which require the manufacturer of a product to be responsible for its ultimate recycling, reuse or disposal, has become a significant waste management approach in recent years in the efforts to increase recycling and landfill diversion rates.

The Indian market size for Lead is estimated at about 1.2 million metric tons, including primary and secondary Lead. However, the market would have been impacted on account of the COVID-19 pandemic and subsequent lockdowns announced to stem the transmission of the virus.

Similar to the global markets, in India too Lead batteries comprise the major consumer of Lead. Lead batteries are chiefly used in the automotive and telecom sectors and in power storage devices, including the UPS segment. The expected growth of Lead batteries is projected in the range of 7%, thus Lead consumption is also expected to achieve similar growth rates. Approximately 30% of the market is with the informal sector, comprising both Lead and Lead battery segments together. A growing shift towards the formal sector is anticipated in the coming future, which will be an added advantage to the organised recycling industry.

With large fiscal and policy stimulus packages announced by the government with a view to mitigate the adverse effects of the pandemic on the economy, paired with the sheer resilience of the economy to bounce back from the adversity, India is expected to ensure more rapid economic normalization and thus get back on track to report one of the fastest GDP growth rates in the world.

Aluminium: An essential resource that sustains life

Aluminium is the most common metal in the earth's crust and the second most used metal after steel. One of the most important characteristics of aluminium is its 100% recyclability and thus it is well-suited for the circular economy. In fact, Aluminium can be recycled an infinite number of times while retaining high quality. Although, Aluminium is a highly energy-intensive sector, recycling of Aluminium requires only 5% of the total energy required to produce primary Aluminium from the virgin raw material bauxite. Thus, it contributes in reducing the total environmental impact as well as in minimizing GHG emissions.

The properties that make Aluminium a material with a wide range of applications are lightweight, weldability, easy to shape, heat conductive, high strength, high electrical conductivity, corrosion-resistant and non-toxicity.

Of the estimated 1.5 billion tonnes of Aluminium produced since 1880, more than 75% is still in productive use. It is observed that in 2019, around 36% is located in buildings, 25% in electrical cables and machinery, 30% within transport applications and balance in miscellaneous applications. The property of recyclability means that the world's increasing stock in use of Aluminium acts like a resource bank, over time delivering more and more practical use and value from the energy embedded in the metal at the time of its production. The amount of Aluminium produced from old scrap has grown from 1 million tons in 1980 to 20 million tonnes in 2019. Since the 1980s, the transport sector has been the most important resource for recycled Aluminium from end-of-life products. Today, recycled Aluminium produced from old scrap originates 33% from transport, 26% from packaging, 13% from engineering and cables and 16% from building applications, due to their long lifetimes.

Aluminium Recycling Sector

There is a clear case for Aluminium recycling in the country.

The primary Aluminium industry is regarded as one of the highest CO_2 emitters, mainly because of high energy requirement varying between 13,000 KWh to 14,000 Kwh per ton of Aluminium. International Aluminium Institute in its report on sustainability of Aluminium sector observed that today recycling of post-consumer Aluminium products saves over 90 million tons of CO_2 and over 100,000 GWh of electrical energy, thus recycling of Aluminium contributing in meeting global climate goals of reducing GHG emissions. Each ton of Aluminium recycled (rather than produced from ore) saves:

- 24 barrels of crude oil equivalent of energy
- Over 15 tons of fresh or sea water use
- More than 9 tons of CO_2 equivalent of GHG emissions
- 2.5 tons of solid waste, including recyclable solid waste

Though the growing global markets for Aluminium products are supplied by both primary (around 65%) and recycled (around 35%) metal sources, improving the overall collection rates of used products is an essential element in the pursuit of sustainable development. The industry continues to recycle all the Aluminium collected from end-of-life products as well as from fabrication and manufacturing process scrap. For most Aluminium products, the metal is not actually consumed during the product's lifetime, but simply used, with the potential to be recycled without any loss of its inherent properties. If scrap is pre-treated/sorted appropriately, the recycled Aluminium can be utilised for almost all Aluminium applications, thereby preserving raw materials and making considerable energy savings.

India requires around 1.5 million metric tons of Aluminium scrap, out of which 1.2 million metric tons is imported and the remaining 0.3 million metric tons is collected from the domestic market. The highest recycling percentages can be seen in the construction and transport sectors of up to 95%, but packaging sector is equally growing due to increased use of foils and cans.

To increase the availability of domestic scrap and minimize dependency on import, it is very much essential that unorganized sector of scrap collection, aggregation, sorting and processing need to be brought into the formal sector. Good collection strategy will go a long way in bringing even local scrap collectors into a formal network, which shall help in improving the tax collection as well as improve the working conditions in this sector.

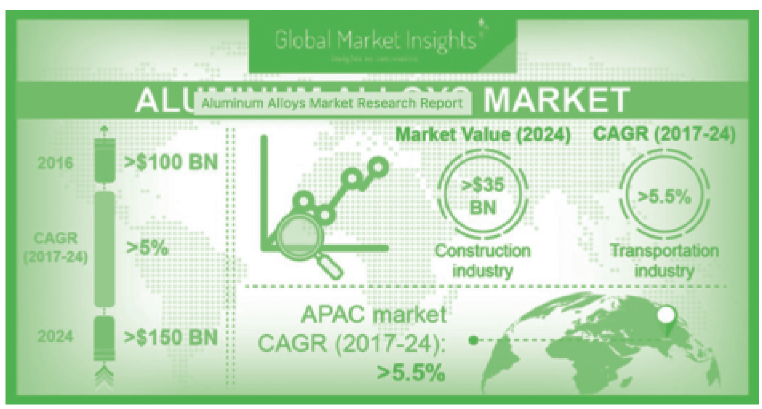
It is expected that with the "End of Life Vehicle Policy" being issued by the government and establishing scientific methods for collection of scrap from other sources, the dependency of the secondary sector on imported scrap will reduce in the future.

Aluminium Cast Alloys

The Aluminum alloys market is slated to cross US$ 150 billion by 2024, according to a research report by Global Market Insights, Inc. Though the size of the market may be impacted by the onset of the Covid-19 pandemic, key demand drivers remain in place.

Aluminium cast alloy market projections

For instance, though aviation was one of the most impacted sectors by the pandemic, pick up in air travel trends for domestic as well as international commuting and restoration in global trade activities will boost Aluminium alloys demand in the aviation industry. Furthermore, the electric vehicle (EV) segment represents the bright spot in the automotive segment, with the trend suggesting an increase in demand for e-mobility. It is assessed that the average amount of Aluminium used in EVs is 30% higher than internal combustion engine cars. Hence, Aluminium battery casing is expected to be a market of significant value in the future, with the thrust given on electric mobility all over the world. India is considered a major potential market in this regard, as



also reflected in the fact the Tesla, an iconic EV brand, established an office in India recently. The automobiles sector is set to make up 55% of the market share, as more stringent emission norms will force manufacturers to use lighter materials, such as Aluminium, to slash emissions by reducing the weight of the vehicle.

Brief financial review

Even in highly challenging economic conditions, especially unleashed by the COVID-19 pandemic, Gravita turned in an appreciable performance in the year 2020-21.

Sales:

The Company achieved a respectable 4.59% growth in sales to Rs. 1,410 crore in 2020-21, from Rs. 1,348 cr in 2019-20. Out of the total sales mix, India operations contributed to 67 per cent of the total revenue (2019-20: 73 per cent) in 2020-21, while overseas operations contributed to the rest of the 33 per cent during the year (2019-20: 27 per cent).

EBIDTA

Gravita achieved an EBIDTA of Rs. 117.28 crore in 2020-21, vs. Rs. 97.47 crore in the previous fiscal year. Resultantly, EBIDTA margins also scaled up from 7.23 per cent in 2019-20 to 8.32 per cent in 2020-21.

Net Profit

The Company reported a net profit of Rs. 52 crore in 2020-21, as against Rs. 33 crore in the previous financial year, thus representing a solid 58.17 per cent growth. Resultantly, the Company's net profit margins also rose from 2.46 per cent in 2019-20 to 3.72 per cent in 2020-21.

Earning per share

Gravita's earnings per share or EPS expanded sharply by 60.16 per cent in 2020-21, to Rs. 7.72 from Rs. 4.82 in 2019-20.

Key financial ratios

Sl. No.	Particulars	2020-21	2019-20	% Change	Details of significant changes, if any
1.	Debtors' turnover ratio	23.74	19.96	19%	Due to faster realization of sale proceeds
2.	Inventory turnover ratio	3.94	6.01	(34%)	Due to increase in inventory levels
3.	Interest coverage ratio	3.54	2.85	20%	Due to increase in profitability
4.	Current ratio	1.37	1.24	10%	
5.	Debt-equity ratio	0.95	1.21	27%	Due to increase in profitability and reduction in working capital cycle
6.	Operating profit margin	7.94%	7.23%	10%	
7.	Net profit margin	3.72%	2.46%	58%	Due to increase in profitability
8.	Return on net worth	19.51%	14.73%	32%	Due to increase in profitability

Porter's 5 forces analysis

This management tool, created by Harvard Business School professor Michael Porter, helps analyse Gravita's position in the industry and the industry's forward outlook. The 5 forces include: competitive rivalry, supplier power, buyer power, threat of substitution and threat of new entry. Presented below is the analysis of each of the 5 forces impacting and influencing Gravita.

1. Competitive rivalry: Relatively low

- Highly unorganized sector
- Limited number of players with scale

2. Supplier power: Relatively low

- Increasing regulations around organising and transportation of waste to organised recyclers will ensure that OEMs (suppliers) adhere to waste disposal and other norms
- Large presence of micro waste collection agents and agencies present scope for consolidation of waste collection and management in India
- Gravita has entered into back-to-back hedging that has helped in stronger raw material risk mitigation, thus protecting margins and profitability

3. Buyer power: Relatively low

- Lead is a critical resource with no alternative that is used in automotive/industrial batteries
- Gravita has a large number of major customers that helps prevent concentration or pricing dependency risks

4. Threat of substitution: Virtually non-existent

- Lead is a metal that has been in used for hundreds of years and is popular for its several inherent characteristics, like malleability, etc.
- Lead recycling is a well-established sector and is anchored on the fact that Lead can be recycled infinite number of times without any loss of property and the fact that lead recycling is a much more environmentally-friendly process over the primary route of ore extraction.

5. Threat of new entry: Very low

- On account of certain key characteristics of Lead, recycling of the metal is a highly regulated industry with adherence to norms mandatory to ensure license to operate
- Since the business is highly regulated, issue of new licenses is highly controlled, thus ensuring that only serious long-term players committed to the business can enter the industry

Human resources and industrial relations

At Gravita, our human resources are our most important asset. Thus, in the context of the COVID-19 pandemic, we especially focused on their safety and wellbeing.

While the COVID-19 pandemic forced many people into remote working, being a manufacturing concern, we had to have a large number of employees physically present at the workplaces. In this situation, the Company's HR team played a pivotal role in managing the experience of these employees. Such initiatives are highlighted below.

Ensuring holistic employee safety:

With the belief that even seemingly small safety measures could help reduce the spread of the virus and provide assurance to on-site employees, we undertook a number of measures comprising:

- Screening of employees before they entered the premises
- Encouraged employees to leave office and meeting room doors open to reduce the need to touch door handles
- On-site teams were limited to only a few members, wherever it was possible
- We provided more private workspaces and encouraged employees to follow strict hygiene guidelines

Regular communication with employees

The pandemic created stress among employees and they needed to feel reassured that their organization cares about them and has their best interests in mind. Reinforcing the Company's commitment to safety, we raised awareness among our employees by sharing relevant and fact-based information from trusted websites, like the World Health Organization (WHO) and ICMR to offer consistent, relevant and timely information.

Promoted fair workplace practices

The Company ensured that workplace policies align with the organization's principles and commitments and maintain fair treatment for all employees. We ensured that everyone, especially those in low-income groups, have equal access to the Company's healthcare policies. Furthermore, the Company granted paid leaves to affected employees, with tests done free of charge. In addition, we extended such support as food delivery, health care insurance and logistics, which was provided even to their families.

The Company also actively sought feedback from employees and developed strategies to support them as there were restrictions placed on travel across sites, and the continuous production process needed their presence at the different manufacturing locations. The Company also recognised exemplary efforts an handsomely rewarded such employees for their commitment and courage.

As on 31st March, 2021, the Company had a total workforce of 1,319 employees on standalone basis.

Internal controls

In order to ensure orderly and efficient conduct of business, the Company's management has put in place necessary and sufficient internal control systems commensurate with its business requirements, scale of operations, geographical spread and applicable regulations. The Company has an in-house Internal Audit department manned by qualified professionals and an external firm acting as independent internal auditors that reviews internal controls and operating systems and procedures on a regular basis. The Company's internal control systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework, etc. Importantly, the Company has designed the necessary internal financial controls and systems with regard to adherence to the organisational policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

BOARD REPORT

To
The Members of
Gravita India Limited

We are delighted to present on behalf of Board of Directors of the Company, the 29th Annual Report of the Company along with Audited Financial Statements (Consolidated & Standalone) for the year ended 31st March 2021.

CONSOLIDATED FINANCIAL PERFORMANCE

Particulars	Amount (₹ in Lacs)	
	2020-21	**2019-20**
Total Revenue	1,40,974.92	1,34,780.03
Operational Expenditure	1,29,246.25	1,25,032.70
Profit Before Interest, Depreciation and Tax (EBIDTA)	**11,728.67**	**9,747.33**
Add: Other Income	180.05	99.42
Less: Interest expenses	2,786.71	2,817.23
Less: Depreciation and amortization expense	2,030.13	1,812.54
Less: Exceptional items	-	522.94
Profit Before Tax	**7,091.88**	**4,694.04**
Profit from Ordinary Activities Before Tax	7,091.88	4,694.04
Less: Provisions for Taxation Including Deferred Tax	1,407.88	1,034.92
Add: Share in Profit/(Loss) of Associate	**(1.05)**	**(0.96)**
Profit After Tax Before Non-Controlling Interest	**5682.95**	**3658.16**
Add: Other Comprehensive Income	148.44	211.20
Less: Non-Controlling Interest	382.39	339.99
Profit Available for Appropriation	**5,449.00**	**3,529.37**
APPROPRIATION:		
Final Dividend 2018-19*(Including Corporate Dividend tax)	-	206.51
Interim Dividend 2019-20*(Including Corporate Dividend tax)	-	504.12
Interim Dividend 2020-21*	744.23	-
Balance Carried to Balance Sheet	**4,704.77**	**2,818.74**

* It does not include the amount paid to Gravita employee welfare trust by Holding Company.

1. State of Company's Affairs

India, just like the other countries of the world, imposed a stringent lockdown, while health infrastructure and systems were being ramped up. The lockdown meant economic activity taking a backseat, with contact-intensive industries suffering the most. The national economy re-gained positive growth of 1.6 per cent in the last quarter of financial year 2020-21. The real gross domestic product (GDP) contracted by 7.3 per cent in 2020-21, as compared to a growth of 4.0 per cent in 2019-20. The contraction in real gross value added (GVA) at basic prices for FY 2020-21 is estimated at 6.2 per cent.

With the stringent national lockdown creating an output gap, this was sought to be filled by expansionary monetary and fiscal policies. Thus, the Government announced economic measures ranging from cash transfers to allocation of food grains to marginal households, increase in rural employment spends, higher capital investments, and credit guarantee scheme for MSMEs and sectors most impacted by the pandemic. As a part of its counter-cyclical fiscal policy, the centre expanded its fiscal deficit to 9.3% of GDP in FY 2020-21. Furthermore, the RBI not only reduced its policy rate by 115 bps to 4%, but also took effective measures such as liquidity injection. Overall, Rs. 15.7 lakh crore support was provided by RBI, amounting to 8% of GDP. It also advised banks to offer moratorium to customers impacted by the pandemic.

Moreover, the central bank also allowed banks to restructure loans to MSME and retail customers who were impacted the most by the pandemic. Hence, the measures announced by the Government and RBI and the opening up of the economy led to growth recovery from October 2020 onwards. Scientists all over the world developed vaccines, which proved quite effective against COVID-19. India was one of the few countries able to discover an indigenous vaccine.

Global lead production contracted by around 3.7 per cent between 2019 and 2020, declining to around 11.7 million metric tons. This is the first recorded dip since 2015, and factors such as reduction in lead mining in China and India during the first quarter of 2020 as a result of the Covid-19 pandemic are attributable to the decline. As of 2020, China was the main lead producer, followed by Australia. Chinese lead mining during the year reached 1.9 million metric tons, about 43 per cent of the world's total mine production.

The volatility of 2019, which saw lead prices end the year almost neutral, continued in 2020 too, a time when the coronavirus pandemic's impact was front and center. Thus, the pandemic-triggered lockdowns and containment measures hit the base metal during the first few months of the year, yet lead prices rebounded in the second half.

Analysing lead price patterns, the metal started to rebound sharply in the second half of 2020, reaching a high of US$ 1,994 by mid-August 2020. The price recovery was stronger than expected, as the world emerged from lockdown. Yet, though demand was strong, supply worries increased as coronavirus-related mine disruptions persisted, particularly in South America.

Thereafter, it wasn't until November 2020 that lead prices pushed higher, hitting their yearly high on November 30 at US$ 2,117.50. However, prices cooled off and stood at US$ 1,972 by the end of the year 2020.

Going forward, Improving market dynamics in Lead recycling with framing of new regulations is bound to boost the prospects of organised players in the Lead recycling business. For instance, the government has proposed new rules for battery waste management that will make it mandatory for manufacturers and dealers to collect used batteries against the new ones they sell. The proposed draft rules under 'Battery Waste Management Rules 2020'puts the responsibility of collection of batteries and their safe transport to only registered recyclers, while ensuring that the environment is not harmed during its transportation. Moreover, the Extended Producer Responsibility (EPR) laws, which require the manufacturer of a product to be responsible for its ultimate recycling, reuse or disposal, has become a significant waste management approach in recent years in the efforts to increase recycling and landfill diversion rates.

A growing shift towards the formal sector is anticipated in the coming future, which will be an added advantage to the organised recycling industry. With large fiscal and policy stimulus packages announced by the government with a view to mitigate the adverse effects of the pandemic on the economy, paired with the sheer resilience of the economy to bounce back from the adversity, India is expected to ensure more rapid economic normalization and thus get back on track to report one of the fastest GDP growth rates in the world.

COVID IMPACT: As a result of the nationwide lockdown imposed by the Government of India due to outbreak of Covid-19 pandemic, the business operations of the Company were temporarily disrupted at its manufacturing locations impacting production and sales from the end of March 2020. Since then, the operations have been gradually resuming in line with the Government of India directives issued in this regard. Subsequent to year-end, many State Governments have announced lockdown like restrictions due to further spread of Covid-19 second wave. The management has considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. The Company is taking all the necessary steps and precautionary measures to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees. Subsequent to year end, Company's plants across all its locations have resumed operations as per government guidelines and directives prescribed..

Consolidated Financial Summary:

- Consolidated Total Revenue stood at ₹ 1,409.74 Crores.
- Operating Profit before Interest, Depreciation and Tax stood at ₹ 117.29 Crores in financial year 2020-21 as compared to ₹ 97.47 Crores in previous year.
- Net Profit after Tax and Minority Interest (excluding Other Comprehensive Income) during the year stood at ₹ 52.48 Crores.
- Earnings Per Share of the Company stood at ₹ 7.72 per share having face value of ₹ 2 each.

Standalone Financial Summary:

- **Total Revenue** stood at ₹ 1,226.41 Crores as compared to ₹ 1,172.39 Crores in the previous year.
- **Operating Profit before Interest, Depreciation and Tax** stood at ₹ 60.79 Crore in financial year 2020-21 as compared to ₹ 62.38 Crores in previous year.
- **Net Profit after Tax** during the year is reported at ₹ 32.15 Crores.
- **Earnings Per Share** of the Company stood at ₹ 4.66 share having face value of ₹ 2 each.

2. Dividend & Reserve

The Board of Directors of Company has recommended and declared Interim dividend @ 55% (₹ 1.10 per equity share) amounting to ₹ 7.59 Cr. The dividend has been paid to the members whose name appears in the Register of Members as at the closure of business hours of Tuesday, i.e. 09th February, 2021 and further in respect of shares held in dematerialized form, it has been paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date. Further, Company has not transferred any amount to General Reserve.

3. Performance of Subsidiaries/ Associate Companies and Firms

a. **Gravita Mozambique LDA, Mozambique:** Gravita Mozambique LDA is a step-down subsidiary of Gravita India Limited and is engaged in the business of Manufacture of Re-Melted Lead & PP Chips and trading of Aluminium Scrap. During the year under review this subsidiary has produced 4,200 MT of Re-Melted Lead Ingots and has done trading of 1,357 MT of Aluminium Scrap. This subsidiary achieved turnover of ₹ 65.11Cr and reported net profit of ₹ 10.31 Cr during the year.

b. **Gravita Senegal SAU, Senegal:** Gravita Senegal SAU is a step-down subsidiary of Gravita India Limited. The subsidiary is engaged in recycling of Lead Acid Battery Scrap for producing Re-Melted Lead Ingots, PP Chips etc. During the year under review this plant produced 4,223 MT of Re-Melted Lead Ingots and achieved a turnover of ₹ 54.30 Cr coupled with net profit of ₹ 5.38 Cr.

c. **Navam Lanka Ltd, Sri Lanka:** Navam Lanka Limited is a step-down subsidiary of Gravita India Limited operating in Sri Lanka for more than a decade. It is the largest producer of Refined Lead Ingots and PP Chips in Sri Lanka. This subsidiary is engaged in Recycling of Lead Acid Battery Scrap for producing Refined Lead Ingots. During the year under review this subsidiary produced 3,503MT of Refined Lead Ingots and Re-Melted Lead Ingots and achieved a Total turnover of ₹ 54.74 Cr coupled with net profit after tax of ₹ 9.06 Cr.

d. **Gravita Tanzania Limited, Tanzania:** Gravita Tanzania Limited is a step-down subsidiary of the Company. This subsidiary is engaged in manufacturing of Re-Melted Lead and Aluminium. During the year under review subsidiary produced 3,429 MT of Lead and 3,122MT of Aluminium and achieved turnover of ₹ 77.26 Cr coupled with net profit of ₹ 8.85 Cr

e. **Recyclers Ghana Limited, Ghana:** Recyclers Ghana Limited is a step-down subsidiary of the Company. This subsidiary is engaged in manufacturing of Refined Lead and Lead Alloys. During the year under review subsidiary achieved turnover of ₹ 137.91 Cr coupled with net profit of ₹ 4.17 Cr.

f. **Mozambique Recyclers LDA, Mozambique:** Mozambique Recyclers LDA is a step-down subsidiary of the Company. This subsidiary is engaged in Manufacturing and Recycling of Aluminium. During the year under review subsidiary achieved turnover of ₹ 18.82 Cr coupled with net profit of ₹ 5.85 Cr.

g. **Gravita Netherlands B.V., Netherlands:** Gravita Netherlands B.V. is a step-down subsidiary of Gravita India Limited. During the year under review this subsidiary achieved profit of ₹ 3.77 Cr.

h. **Gravita Ghana Limited, Ghana:** Gravita Ghana Limited is a wholly-owned subsidiary of the Company. The subsidiary is engaged in recycling and trading of Lead Acid Battery Scrap for producing Re-Melted Lead Ingots, PP Chips etc. During the year under review this plant incurred a net profit of ₹ 0.09 Cr.

i. **Gravita Nicaragua S.A., Nicaragua:** Gravita Nicaragua S.A. is a step-down subsidiary of the Company. This subsidiary is engaged in recycling of plastic waste and Trading of Battery Scrap. During the year under review the production of this subsidiary stood at 6,290 MT. This subsidiary achieved turnover of Rs. 40.23 Cr coupled with net loss of ₹ 2.21 Cr.

j. **M/s Gravita Metal Inc, India:** Gravita India Limited along with its wholly owned subsidiary Gravita Infotech Limited (formerly known as Gravita Exim Limited) holds 100% share in this partnership firm. This firm is engaged in Manufacturing of Lead Ingots and all kind of Specific Lead Alloys. During the year under review this subsidiary produced 5,376 MT of Lead and has achieved a turnover of ₹ 85.54 Cr and incurred a net loss of ₹ 5.08 Cr.

k. **Gravita USA Inc, USA.:** Gravita USA Inc. is a step-down subsidiary of the Company. This subsidiary is engaged in trading of Re-Melted Lead Ingots and Plastic Scrap. During the year under review this subsidiary has done trading of 2,296 MT of Re-Melted Lead Ingots and achieved turnover of ₹ 37.81 Cr coupled with net profit of ₹ 0.08 Cr.

l. **Gravita Jamaica Limited, Jamaica:** Gravita Jamaica Limited is a step-down subsidiary of the Company. This subsidiary is engaged in recycling of plastic waste. During the year under review subsidiary produced 784 MT of plastic and achieved turnover of ₹ 3.71 Cr and incurred a net loss of ₹ 6.43 Cr.

m. **Gravita Global Pte. Ltd, Singapore:** Gravita Global Pte. Ltd is a wholly owned subsidiary of the Company and is based at Singapore which is engaged in the trading business. During the year under review this subsidiary has done trading of 202.60 MT and has been able to achieve a turnover of ₹ 0.41 Cr and incurred net loss of ₹ 0.05 Cr.

n. **Gravita Infotech Limited (formerly known as Gravita Exim Limited), India:** Gravita Infotech Limited is a wholly-owned subsidiary of the Company. In this current financial year company reported a net loss of ₹ 0.10 Cr.

o. **M/s Gravita Infotech, India:** Gravita India Limited together with its subsidiary holds 100% share in this firm. This firm is engaged in business of Information Technology. During the year under review the firm incurred net loss of ₹ 0.01 Cr.

p. **M/s Recycling Infotech LLP, India:** Gravita India Limited together with its subsidiary holds 100% stake in this LLP. Recycling Infotech LLP is engaged in business related to E-Marketing database collection etc. The LLP incurred net loss of ₹ 0.10 Lacs.

q. **Gravita Ventures Limited, Tanzania:** Gravita Ventures Limited is a step-down subsidiary of the Company. This subsidiary is engaged in trading of aluminum scrap. During the year under review subsidiary incurred net profit of ₹ 0.64 Lacs.

r. **Recyclers Gravita Costa Rica SA, Costa Rica:** Recyclers Gravita Costa Rica SA is a step-down subsidiary of the Company. This subsidiary is engaged in trading of plastic waste. During the year under review subsidiary achieved turnover of ₹ 3.22 Cr coupled with net loss of ₹ 0.09 Cr.

s. **Pearl Landcon Private Limited, India:** Pearl Landcon Private Limited is a step-down associate company in which Gravita Infotech Limited holds 25% shareholding. This associate company is engaged in business of Real Estate. During the year under review subsidiary incurred net loss of ₹ 4.37 Lacs.

t. **Other Subsidiaries:**

The Company has some other Subsidiaries/ Step Subsidiaries which are under process of implementation of projects/commercial production. The details of the same are given below:

- Noble Build Estate Private Limited, India
- Gravita Mali SA, Mali
- Gravita Dominican SAS, Dominican Republic
- Gravita Peru SAC

Further as on 31st March 2021 company has not made any investment in Joint Venture and no ent ity has become or ceased to be its Subsidiaries ,Joint venture or associate companies during F.Y. 2020-21.

4. Disclosures under Companies Act, 2013

a) The Annual Return as on 31st March, 2021 in the prescribed Form No. MGT -7, pursuant to section 92 of the Act is available on the website of the company at https://www.gravitaindia.com/investors/annual-return.

b) **Material Subsidiaries:**

The Company has in accordance with the amendments to Listing Regulations revised the Policy for determining material subsidiaries. The said policy may be accessed on the website of the Company at http://www.gravitaindia.com/wp-content/uploads/pdf/material-subsidiaries-policy.pdf. There are below mentioned subsidiaries of the company which fall under the criteria of material subsidiary:

- Gravita Netherlands BV
- Gravita Mozambique LDA

c) **Number of Board Meetings:** During the year under review, the Board of Directors of the company met 6 (Six) times on following dates: 25th June 2020, 5th August 2020, 10th November 2020, 28th January 2021, 17th March 2021, 25th March 2021. Further the detail of the attendance of each of the Directors has been provided in Corporate Governance Report which forms integral part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

d) **Committees of the Board:** Details of all the Committees including Audit Committee of Board of Directors along with their terms of reference, composition and meetings held during the year, is provided in the Corporate Governance Report, and forms integral part of this report.

e) **Directors' Responsibility Statement**

Pursuant to Section 134 of the Companies Act, 2013, with respect to the Director's responsibility Statement, the Directors hereby confirm that:

(i) In the preparation of the Annual Accounts the applicable Accounting Standards had been followed along with proper explanations relating to material departures;

(ii) They had selected such Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the profit and loss of the company for that period;

(iii) To the best of their knowledge and information, they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) They had prepared the Annual Accounts on a Going Concern basis;

(v) They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) Proper system had been devised by directors, to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

f) **Declaration by Independent Directors and Statement on compliance of Code of Conduct:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 ,and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also a declaration under Rule-6 of the companies (appointment and qualification of directors) Rules, 2014, amended as on date has been received from all the independent directors.

Further, in the opinion of the Board, Independent Directors of the company are persons of high integrity, expertise and experience and thus qualify to be appointed/continue as Independent Directors of the Company. Further, as required under section 150 (1) of the Companies Act, 2013 they have registered themselves as Independent Directors in the independent director data bank. They shall pass the proficiency self-assessment test in due course in terms of Companies (Appointment and Qualifications of Directors), Rules 2014 (as amended).

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external Influence and that he is independent of the management. The Independent Directors have also confirmed that they have complied with the Company's code of conduct as prescribed in Schedule IV to the Companies Act, 2013.

g) **Vigil Mechanism/Whistle Blower Policy:** The Company is having an established and effective mechanism called the Vigil Mechanism, to provide a formal mechanism for the Directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct. The policy provides adequate safeguards against victimization of employees and provide direct access to the higher levels of supervisors and/ or to the Chairman of the Audit Committee in appropriate or exceptional cases. The mechanism under the Whistle Blower Policy of the company has been appropriately communicated within the organization. The purpose of this Policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company. The company's whistle blower policy is available on following web link: https://www.gravitaindia.com/wp-content/uploads/pdf/whistle-blower-policy.pdf

h) **Familiarization Programme for Independent Directors:** The Company has Familiarization Program for Independent Directors to familiarize them with regard to their roles, rights, duties and responsibilities in the Company, along with industry, business operations, business model, code of conduct and policies of the Company etc. The Familiarization Program has been disclosed on the website of the Company. The company's policy on familiarization programme is available on following web link: http://www.gravitaindia.com/wp-content/uploads/pdf/familarization-policy.pdf. The Company conducts an introductory familiarization programme when a new Independent Director joins the Board of the Company. New Independent Directors are provided with a copy of latest Annual Report, the Company's Code of Conduct, the Company's Code of Conduct for Prevention of Insider Trading to let them have an insight of the Company's present status and their regulatory requirements. The induction comprises a detailed overview of the business verticals of the Company and meetings with business heads / senior leadership team, and with the Managing Director of the Company, apart from this, the company also conducts various familiarization programmes as and when required. The detail of such familiarization programmes conducted is available on the website of the company and can be accessed from the following web link: http://www.gravitaindia.com/wp-content/uploads/pdf/familiarization-programme.pdf.

i) **Nomination and Remuneration Policy**: The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, are formulated by the Nomination and Remuneration Committee. The salient features of the said policy can be accessed through Company's website from the following web link: http://www.gravitaindia.com/wp-content/uploads/pdf/nomination-remuneration-policy.pdf

j) **Annual Performance Evaluation:** Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out annual evaluation of its own performance, performance of its Committees, and evaluation of individual Directors including Independent Directors. The Independent Directors had carried out an annual performance evaluation of non-independent Directors, the Board as a Whole and Chairperson of the Company taking into account the views of Executive and Non-Executive Directors. The Nomination and Remuneration Committee of the Board of Directors evaluated the performance of every Director. The performance is evaluated on the basis of number of Board and Committee meetings attended by individual Director, participation of each director in the affairs of the company, duties performed by each Director and targets achieved by company during the year. The Board/committee/directors found that the evaluation is satisfactory and no observations were raised from the said evaluation in current year as well as in previous year.

k) **Internal Financial Controls:** In order to ensure orderly and efficient conduct of business, Company's management has put in place necessary internal control systems commensurate with its business requirements, scale of operations, geographical spread and applicable statutes. The Company has an in-house Internal Audit department manned by qualified professionals and an external firm acting as independent internal auditors that reviews internal controls and operating systems and procedures on a regular basis. Company's internal control systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework etc. Company has designed the necessary internal financial controls and systems with regard to adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

l) **Related Party Transactions:** All related party transactions that were entered by the company during the financial year were on an arm's length basis and in the ordinary course of business. The company has not entered into any contract, arrangement and transaction with related parties which could be considered material in accordance with the policy of the company on Related Party Transactions. Details with respect to transactions with related parties entered into by the company during the year under review are disclosed in the accompanying financial results. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, is not required. Your directors draw attention of the shareholders to the financial statements which set out related party disclosures. The policy on Related Party Transactions as approved by the Board is available on the Company's website at https://www.gravitaindia.com/wp-content/uploads/pdf/rpt-policy.pdf

m) **Corporate Social Responsibility (CSR):** The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The Company has developed and implemented the CSR Policy accordingly. The Company undertakes its CSR initiatives as per the activities covered in the CSR Policy of the Company. The Committee comprises of 3 directors viz Mr. Dinesh Kumar Govil (Chairman), Mr. Rajat Agrawal (Member), Dr. Mahavir Prasad Agarwal (Member). The details about Committee composition and terms of reference of Committee are given in Corporate Governance Report and forms integral part of this report. A CSR Report on activities undertaken by the company and amount spent on them is attached as **Annexure-1**. For a detailed Corporate Social Responsibility policy please refer the website link http://www.gravitaindia.com/wp-content/uploads/pdf/csr-policy.pdf

n) **Risk Management Policy:** The Company has developed and implemented a very comprehensive risk management policy under which all key risks and mitigation plans are compiled into a Risk Matrix. The same is reviewed quarterly by senior management and periodically also by the Board of Directors. The Risk Matrix contains the Company's assessment of impact and probability of each significant risk and mitigation steps taken or planned. For a detailed risk management policy please refer the website link http://www.gravitaindia.com/wp-content/uploads/pdf/risk-management-policy.pdf.

o) **Material Changes and Commitments, if any Affecting Financial Position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:** No material changes and commitments have occurred after the closure of the Financial Year till the date of this Report, which affect the financial position of the Company.

5. Corporate Governance

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Annual Report.

6. Statutory Auditor and Auditor's Report

M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No 001076N) were appointed as the Statutory auditors of the company at the 27th Annual General Meeting of the Company held on 20th September, 2019, for a period of five years from the conclusion of the 27th AGM till the conclusion of the 32nd AGM. In this regard the Company has received a certificate from its Statutory Auditor, M/s Walker Chandiok & Co LLP,Chartered Accountants (Firm Registration No 001076N) in accordance with the provisions of Section 141 of the Companies Act, 2013.

Further, there are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self-explanatory and need no further explanation.

7. Cost Auditor and Cost Audit Report

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act, and accordingly such accounts and records are made and maintained in the prescribed manner.

The Company has received consent from M/s K.G. Goyal & Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2021-22 along with a certificate confirming their independence and arm's length relationship.

The Board of Directors of the Company, on the recommendations given by the Audit Committee, has appointed M/s K.G. Goyal & Associates, Cost Accountants having firm registration no. 000024 as Cost Auditors for conducting the audit of Cost Records maintained by the company for the Financial Year 2021-22, subject to ratification of remuneration by the members in the ensuing AGM.

The Cost Audit Report for the F.Y. 2019-20 was filed with Registrar of Companies (Central Government) on 17th August, 2020. There are no qualifications or adverse remarks in the Cost Audit Report which require any clarification/explanation.

8. Particulars of Loans given, Investments made, guarantees given and Securities provided under Section186 of the Companies Act, 2013

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided herein below:

Name of Person / Body Corporate	Nature (Loan / Guarantee/ Security / Acquisition)	Particulars of Loan given / Investment made, or Guarantee made	Purpose for which the loan or guarantee or security is proposed to be utilized by the recipient
Gravita Employee Welfare Trust	Loan	Loan of Rs. 3.18 Crores at an interest rate of 10.00% per annum	For the purpose of implementing Gravita Stock Appreciation Right Scheme 2017 by acquiring equity shares of the company from secondary market.

Apart from above company has not made any investment and has not provided any guarantee or security pursuant to Section 186 of Companies Act, 2013 during F.Y. 2020-21.

9. Secretarial Auditor and Secretarial Audit Report

M/s P. Pincha & Associates, Company Secretaries, were appointed to carry out Secretarial Audit of the Company under the provisions of Section 204 of the Companies Act, 2013 for the Financial year 2020-2021. The Secretarial Audit Report for the financial year ended 31st March, 2021 is set out in the **Annexure-2** to this report. The report does not contain any qualification, reservation or adverse remark.

10. Insider Trading Prevention Code

Pursuant to the SEBI Insider Trading Code, the company has formulated a comprehensive policy for prohibition of Insider Trading in equity shares of Gravita India Limited to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. The Company Secretary has been designated as the Compliance Officer. It has also been posted on the website of the Company https://www.gravitaindia.com/investors/insider-trading-code

11. The conservation of energy, technology absorption, foreign exchange earnings and outgo

A detailed statement on Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014, forms part of this Report as **Annexure-3**.

12. Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the top ten employees and employees drawing remuneration in excess of the limits set out in the said rules are provided as **Annexure-4**. Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as **Annexure-5**.

Further, in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

13. Appointment/Resignation of KMP's/Director

There was no appointment/Resignation of KMP's/ Director during the F.Y. 2020-21. However, In accordance with provisions of the Act and the Articles of Association of the Company, Mr. Yogesh Malhotra (DIN: 05332393) is liable to retire by rotation and is eligible for re-appointment in the ensuing AGM.

14. Consolidated Financial Statements and Cash Flow Statement

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2020-21, together with the Auditors' Report form part of this Annual Report.

15. Subsidiaries and Associates

The Company has prepared Consolidated Financial Statements in accordance with Section 129 (3) of the Companies Act, 2013 which forms part of the Annual Report. Further, the report on the performance and financial position of each of the subsidiary, associate and joint venture and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report in **Annexure -6**.

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company are available on our website https://www.gravitaindia.com/investors/annual-report-of-subsidiaries/. Further the copies of the financial statements of the company and its subsidiaries are available for inspection during working hours for a period of 21 days before the date of meeting.

16. Business Responsibility Report (BRR):

The Company is also providing business responsibility Report as stipulated under the Listing Regulations, the Business Responsibility Report (BRR) describes about the initiatives takenby the Company from an environmental, social and governance perspective and it is put up onthe Company's website and can be accessed at https://gravitaindia.com/wp-content/uploads/pdf/BRpolicy.pdf .The BRR Report is attached as **Annexure-7**.

17. Employees' Stock Option Scheme/Stock Appreciation Right Scheme

In terms of the SEBI (Share Based EmployeeBenefits) Regulations, 2014, as amended from timeto time ('SEBI Regulations'), the Compensation Committee of Board, inter alia, administers and monitors the Gravita Employee Stock Option Plan 2011 and Gravita Stock Appreciation Rights Scheme 2017 of your Company. Compensation Committee, at its meeting held on 17th March 2021 granted 5,28,000 Stock Appreciation Rights to the employees of the company and its subsidiaries under Gravita Stock Appreciation Rights Scheme 2017. In addition, during the financial year 2020-21, Gravita Employee Welfare Trust has purchased 6,52,500 Equity shares from Secondary Market. A certificate from the Statutory Auditor on the implementation of your Company's Employees Stock Option Scheme will be placed at the ensuing Annual General Meeting for inspection by the Members. Further disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, read with SEBI circular dated 16th June 2015 for the financial year ended 31st March, 2021 are available on website of the company www.gravitaindia.com.

18. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR), Regulations, 2015 is presented in a separate section forming part of this Annual Report.

19. Deposit

The Company has not accepted any Deposits from public, shareholders or employees mentioned under section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the reporting period. Additionally company has never accepted deposits from public, shareholders or employees mentioned under section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 therefore no amount is unclaimed or outstanding for payment as on 31st March, 2021

20. Statement on compliances of applicable Secretarial Standards

In requirement of Para 9 of revised Secretarial Standards on Board Meeting i.e. SS-1 Directors states that they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

21. Share Capital

Share Capital of company is 6,90,37,914 equity shares of ₹ 2/- each as at 31st March, 2021.

22. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and the Rules made there under. Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has formed an "Internal Complaints Committee" for prevention and redressal of sexual harassment at workplace. The Committee is having requisite members and is chaired by a senior woman member of the organization. Further, the Company has not received any complaint of sexual harassment during the financial year 2020-21.

23. Investor Education and Protection Fund (IEPF)

Pursuant to Section 125 of Companies Act, 2013 (corresponding to Section 205C of Companies Act, 1956) read-with Rules made thereunder all unpaid application money received by company for allotment of any securities and due for refund for seven years has to be transferred to Investor Education and Protection fund maintained by the Central Government. Accordingly, the company has transferred a sum of ₹ 0.17 Lacs during the year to the said Fund on account of unpaid dividend account. Further during the year under review the company has transferred 54 Equity shares to IEPF suspense account relating to the investors who have not claimed any dividend from last 7 years. The detail of the investors whose amount and shares are transferred is available on the website of the company https://www.gravitaindia.com/investors/iepf-details.

24. Remuneration from Subsidiary:

Mr. Rajat Agrawal, (DIN: 00855284) Managing Director of the Company has received remuneration from Gravita USA Inc., a step-down Subsidiary of the Company till August 2020. Apart from this neither the Managing Director nor the Whole-time Director received any remuneration from any Subsidiary.

25. Miscellaneous:

Your Directors state that as there were no transactions during the year under review therefore no disclosure or reporting is required in respect of the following items:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP's referred to in this Report.
- Details relating to significant and material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- Details relating to provisions of section 134 (3) (ca)of Companies Act, 2013 in respect of particulars of fraud reported by the auditors.
- Details related to change in nature of business of the company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.

26. Acknowledgement

The Directors wish to place on record their appreciation for the co-operation and support received from the Banks, Government Authorities, Customers, Suppliers, BSE, NSE, CDSL, NSDL, Business Associates, Shareholders, Auditors, Financial Institutions and other individuals / bodies for their continued co-operation and support. The Directors also acknowledge the hard work, dedication and commitment of the employees. Their enthusiasm and unstinting efforts have enabled the Company to emerge stronger than ever, enabling it to maintain its position as one of the leading players in the recycling industry, in India and around the world.

For and on behalf of the Board of Directors

Rajat Agrawal	**Dr. Yogesh Malhotra**
Managing Director	Whole-time Director & CEO
DIN: 00855284	DIN: 005332393
C-137, Dayanand Marg	802, Roop Garden Apartments
Tilak Nagar Jaipur-302004	Tilak Nagar Jaipur-302004

Date: 30th July, 2021
Place: Jaipur

Annexure-1

CSR REPORT

1. **A brief outline of the Company's CSR policy:** As per CSR Policy of the Company, the Company may engage in any of the activities related to Health, Education, Environment, Sports and Others. The Company may also collaborate with other companies/trust/societies for undertaking projects or programs or CSR activities in accordance with the provisions, amendments and rules specified in the Act. In addition, it may build CSR capacities of their own personnel as well as their implementing agencies through institutions while complying with respective provisions and amendments, if any, under Companies Act, 2013. The CSR initiatives of the Company shall focus the areas surrounding its plants, locations or where the Company has its offices.

2. **Composition of CSR Committee:**

SI. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Dinesh Kumar Govil	Chairman	2	1
2	Mr. Rajat Agrawal	Member	2	2
3	Dr. Mahavir Prasad Agarwal	Member	2	2

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:**

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the weblink for the same is http://www.gravitaindia.com/wp-content/uploads/pdf/csr-policy.pdf

   Weblink for CSR Board Committee:

   http://www.gravitaindia.com/wp-content/uploads/pdf/committees.pdf

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 (attach the report):** Impact assessment is to be carried out for projects above ₹ 1 crore per year. In year 2020-21 none of the CSR projects were falling under the value of ₹ 1 crore. Hence no impact assessment was undertaken.

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**

SI. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	2020-21	Nil	Nil
		Not Applicable	

6. **Average net profit of the company as per section 135(5):** ₹ 3,097.62 Lacs

7.	Two percent of average net profit of the company as per section 135 (5)	₹ 61.95 Lacs
7.b	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
7.c	Amount required to be set off for the financial year, if any	Nil
7.d	Total CSR obligation for the financial year (7a+7b-7c)	₹ 61.95 Lacs

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹): Nil				
	Total Amount Unspent CSR Section 135(6). transferred Account as to per		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.
₹ 64.53 Lacs	Nil	N.A.	N.A.	Nil	N.A.

(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. (in years)	Amount allocated for the project (₹ in lacs)	Amount spent in the current financial Year (₹ in lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lacs)	Mode of Implementation -Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

Not Applicable

(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 for the project (in ₹.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1.	Sanitation and Educational Support to schools and Colleges\	Promoting education under Schedule VII (ii)	Yes	Rajasthan	Jaipur	₹ 1.75 Lacs	Yes	NA	NA
			Yes	Rajasthan	Jaipur	₹ 2.20 Lacs	No	Friends of Tribal Society	NA
		Promoting education under Schedule VII (ii)	Yes	Gujarat	Surendranagar	₹ 68.00 Lacs	No	Shri Jagatbharti Education & Charitable Trust, Gujarat	NA
2	Health covering General Medical camp and other medical facilities.	Promoting Health Care, eradicating hunger, poverty and malnutrition and making available safe drinking water under Schedule VII (i)	Yes	Rajasthan Andhra Pradesh	Jaipur Chittoor	₹ 10.09 Lacs ₹ 5.92 Lacs	Yes	NA	NA
	TOTAL					**₹ 87.96 Lacs***			

*Out of this ₹ 23.42 Lacs relates to unspent amount of previous years.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 87.96 Lacs

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	₹ 61.95 Lacs
(ii)	Total amount spent for the Financial Year	₹ 64.53 Lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 2.58 Lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years (iii)-(iv)]	₹ 2.58 Lacs

9.(a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1.	2018-19	N.A.	₹ 23.42 Lacs	N.A.	Nil	N.A.	Nil
	TOTAL	**₹ 23.42 Lacs**					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(I)	(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 (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project-Completed /Ongoing.
N.A.								

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):

(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: Nil

(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 spent two per cent of the average net profit as per section 135(5): Not Applicable

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284
C-137, Dayanand Marg
Tilak Nagar Jaipur-302004

Dr. Yogesh Malhotra
Whole-time Director& CEO
DIN: 005332393
802, Roop Garden Apartments
Tilak Nagar Jaipur-302004

Date: 30th July, 2021
Place: Jaipur

Annexure-2

Form No.: MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2021
{Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gravita India 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 Gravita India Limited's books, papers, minute 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 Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March,2021 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 31st March, 2021according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. 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. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the reporting period under audit)
    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the reporting period under audit)
    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;
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the reporting period under audit) &
    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the reporting period under audit)

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

    (i) Secretarial Standards on Board and General Meetings (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.

    (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

I further report that having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Manufacture, Storage & Import of Hazardous Chemical Rules, 1989

2. Batteries (Management and Handling) Rules, 2001.

3. Hazardous Waste Management and Handling Rules, 2008

I further report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, if any, 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 notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, or at short period, as the case may be, 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 the decisions at Board Meetings and Board Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors of the Company or committee of the Board, as the case may be.

I further report 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 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 **P. Pincha & Associates**
Company Secretaries
Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.:4426

Dated: 11th May, 2021
Place: Jaipur
UDIN: F005369C000307231

(This report is to be read with our letter of even date which is annexed as Annexure-A which forms an integral part of this report.)

Annexure-A"

To
The Members,
Gravita India Limited
'Saurabh', Chittora Road, Harsulia Mod,
Diggi Malpura,
Tehsil-Phagi, Jaipur,
Rajasthan-303904

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. 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. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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 **P. Pincha & Associates**
Company Secretaries
Pradeep Pincha
Proprietor
Proprietor
M. No.: FCS 5369
C. P. No.:4426

Dated: 11th May, 2021
Place: Jaipur
UDIN: F005369C000307231

Annexure-3

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES 2014

I. Conservation of Energy:

a) Steps taken or impact on conservation of energy:

The company has made two major design improvements for conservation of energy.

- Variable Frequency Drives (VFDs) are being used for all large process fan motors.
- Optimization of motor and gearbox in Aluminium Ingot Casting Machine thereby reducing the power consumption of driving motor.
- Recuperator introduced in refining for conservation of energy. This will exchange heat from used hot air to fresh cold air. This will avoid the temperature drop due to cold air feed inside refining furnace and will save fuel and time.

These changes will help the company in saving electricity and fuel consumption.

b) Steps taken by the company for utilizing alternate sources of energy:

The Company is making efforts to utilize alternate sources and has plans to install solar panels at the roof of workshop shed for its plants situated at Chittoor, Phagi & SEZ Jaipur thereby minimizing the consumption of electricity from commercial electricity boards. This was planned last year but was not executed due to COVID-19.

c) Capital Investment on Energy conservation equipment: Nil

II. Technology Absorption:

a) **Efforts made towards Technology Absorption:** The Company has done research and experimentation to develop heating mixers, agglomerators and pulverizers.

b) **Benefits derived towards improvement in technology of machines and equipment:** Auto Stacker and Bundle Conveyor for lead ingots will help the company in producing better quality lead ingots with less manpower and manual efforts.

Technology Imported: Company has invested in importing PP washing lines from China, for its various plants across the globe. These machines will increase the plant production of good quality washed PP chips which can be further converted into PP granules with the help of PP granulation machines.

III. Foreign Exchanges Earnings & outgo

(₹ In Lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenditure in Foreign Currency	71,205.25	74,736.31
Earnings in Foreign Currency	56,087.92	52,432.60

Annexure-4

STATEMENT SHOWING THE NAMES AND OTHER PARTICULARS OF EMPLOYEES DRAWING REMUNERATION IN EXCESS OF THE LIMITS IN TERMS OF THE PROVISIONS OF SECTION 197(12) OF THE ACT READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Name	**Mr. Rajat Agrawal**
Age	54 Years
Designation	Managing Director
Remuneration	Rs.9,01,133/- Per Month
Nature of Employment	Regular Employment
Qualification	B.E. (Mechanical)
Experience (in Years)	29 Years
Date of Commencement of Employment	04.08.1992
Particulars of Previous Employment	Started career with Gravita only
% of Equity Shares Held	47.87%
Relation with Director or Manager	Dr. Mahavir Prasad Agarwal (WTD) (DIN: 00188179) is Father of Mr. Rajat Agrawal (DIN:00855284)

Name	**Dr. Mahavir Prasad Agarwal**
Age	87 Years
Designation	Whole-time Director
Remuneration	Rs. 10,67,094/- Per Month
Nature of Employment	Regular Employment
Qualification	M.B.B.S. and M.D. in General Medicine
Experience (in Years)	63 Years
Date of Commencement of Employment	04.08.1992
Particulars of Previous Employment	Department of Medical & Health, Govt. of Rajasthan
% of Equity Shares Held	0.00%
Relation with Director or Manager	Dr. Mahavir Prasad Agarwal (WTD) (DIN:00188179) is Father of Mr. Rajat Agrawal (DIN:00855284)

Annexure-5

DISCLOSURES OF REMUNERATION TO DIRECTORS & KMP [PURSUANT TO 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 the remuneration of each Director to the median remuneration of employees of the Company for the financial year ended 31st March 2021 are:-

S. No.	Name of Director/CFO/CEO/ Company Secretary	Designation	Ratio of remuneration to median remuneration of the Employee of the Company	Percentage increase in the remuneration for the Financial Year 2020-21
1	Dr. Mahavir Prasad Agarwal (DIN:00188179)	Chairman & Whole time Director	65:1	Nil
2	Mr. Rajat Agrawal (DIN: 00855284)	Managing Director	55:1	Nil
3	Mr. Yogesh Malhotra (DIN:05332393)	Whole time Director & Chief Executive Officer	27:1	Nil
4	Mr. Nitin Gupta	Company Secretary	N.A.	Nil
5	Mr. Sunil Kansal	Chief Financial Officer	N.A.	Nil

* Median remuneration of the Employees of the Company assumed to be ₹ 1.97 Lacs.

** The above increase in remuneration is calculated excluding PAT/Performance incentive during the year.

i. Percentile increase in the median remuneration of employess in Financial year 2020-21 is 17%.

ii. Number of Permanent Employees on the payroll as on 31st March 2021 of the Company are 1319 (One thousand three hundred nineteen only).

iii. Average Percentile increase in the Salaries of the Employees and Managerial Personnel is NA.

iv. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Annexure-6

Form AOC-I

(Pursuant to first provisio to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014)

Statement containing salient features of the financial statements of Subsidiaries/ Associates Companies/ Joint Ventures

Part - A : Subsidiaries

S. No.	Name of subsidiary(i)	Date of acquisition of control	Reporting period of the subsidiary(ii)	Reporting Currency	Ex rate as at 31st March 2021	Share Capital (ii)	Reserves and surplus(iii)	Total Assets (iv)	Total Liablities	Invest-ments (v), (vi)	Turnover (v),(vii)	Profit/ (Loss) before taxation (v)	Tax expense/ (credit) (v)	Profit/ (Loss) after taxation (excluding OCI) (v)	Extent of share-holding (in %)
1	Gravita Global Pte Limited	24th February, 2012	NA	USD	73.50	728.60	235.12	969.57	5.85	791.29	40.74	(5.73)	-	(5.73)	100%
2	Recyclers Ghana Limited	28th July, 2016	NA	GHS	12.83	488.91	218.08	7,456.53	6,749.54	-	13,790.88	416.61	-	416.61	100%
3	Gravita Senegal SAU	26th June, 2007	Dec 31, 2020	CFA	0.13	223.93	1,711.06	2,335.17	400.18	-	5,430.25	630.22	92.24	537.98	100%
4	Gravita Mozambique LDA	30th July, 2007	NA	MZN	1.07	260.67	4,600.35	6,735.90	1,874.88	-	6,511.83	1,223.19	192.15	1,031.04	100%
5	Gravita Ventures Limited	06th November, 2015	NA	USD	73.50	6.27	(94.46)	16.96	105.15	-	-	0.64	-	0.64	100%
6	Gravita Mali SA (ix)	23rd January, 2017	NA	CFA	0.13	13.07	(247.69)	7.76	242.38	-	-	9.46	-	9.46	100%
7	Gravita Nicaragua SA	14th February, 2013	NA	NIO	2.10	435.72	(712.41)	1,529.23	1,805.92	-	4,022.68	(221.14)	-	(221.14)	100%
8	Gravita Tanzania Limited	22nd November, 2017	NA	TZS	0.03	183.19	1,593.15	4,240.50	2,464.16	-	7,726.27	885.04	-	885.04	100%
9	Mozambique Recyclers LDA	28th August, 2017	NA	MZN	1.07	6.50	541.35	854.81	306.96	-	1,882.42	584.88	-	584.88	100%
10	Gravita USA Inc	04th November, 2015	NA	USD	73.50	166.60	216.19	1,993.69	1,610.90	-	3,749.88	17.16	9.22	7.94	100%
11	Gravita Jamaica Limited	04th September, 2014	NA	USD	73.50	186.74	(1,080.35)	333.57	1,227.18	-	370.86	(642.82)	-	(642.82)	100%
12	Recyclers Gravita Costa Rica SA	16th September, 2016	NA	CRC	0.12	131.59	(313.10)	97.26	278.77	-	321.91	(9.19)	-	(9.19)	100%
13	Gravita Netherlands BV	08th May, 2012	NA	USD	73.50	14.63	4,565.86	8,703.53	4,123.04	3,235.64	-	376.82	-	376.82	100%
14	Gravita Dominican SAS	23rd February, 2018	NA	DOP	1.29	30.05	(49.51)	37.17	56.63	-	13.66	0.67	-	0.67	100%
15	Gravita Peru SAC (ix)	07th November, 2018	NA	SOL	21.89	7.34	(22.37)	1.50	16.53	-	-	(22.44)	-	(22.44)	100%
16	Gravita Ghana Limited	13th December, 2006	NA	GHS	12.83	123.66	(41.17)	117.29	34.80	-	-	9.44	-	9.44	100%
17	Navam Lanka Limited	24th February 2000 (Date of Incorporation) 09th May, 2012 (Date of acquisition of control)	NA	LKR	0.37	409.63	1,470.30	2,522.04	642.11	-	5,473.92	1,050.82	144.97	905.85	52%
18	M/s Recycling infotech LLP	02nd December, 2015	NA	INR	1.00	2.00	(1.63)	0.45	0.08	-	-	(0.10)	-	(0.10)	100%
19	M/s Gravita Infotech	03rd March, 2011	NA	INR	1.00	2.00	5.26	7.34	0.08	-	-	(1.02)	-	(1.02)	100%
20	M/s Gravita Metal Inc.	28th June, 2005 (Date of Incorporation) 08th June, 2011 (Date of acquisition)	NA	INR	1.00	100.00	(1,327.56)	1,819.62	3,047.18	-	8,554.82	(178.75)	329.46	(508.21)	100%

S. No.	Name of subsidiary[i]	Date of acquisition of control	Reporting period of the subsidiary[ii]	Reporting Currency	Ex rate as at 31st March 2021	Share Capital [ii]	Reserves and surplus[iii]	Total Assets [iv]	Total Liablities	Invest-ments [v], [vi]	Turnover [v],[vii]	Profit/ (Loss) before taxation [v]	Tax expense/ (credit) [v]	Profit/ (Loss) after taxation (excluding OCI) [v]	Extent of share-holding (in %)
21	Gravita Infotech Limited	28th June, 2005 (Date of Incorporation) 27th March, 2009 (Date of acquisition)	NA	INR	1.00	20.00	223.32	262.11	18.79	7.57	(26.26)	(9.83)	0.56	(10.39)	100%
22	Noble Buildestate Private Limited [ix]	14th December, 2007 (Date of Incorporation) 03rd July, 2012 (Date of acquisition)	NA	INR	1.00	2.00	(186.47)	214.33	398.80	-	-	(27.99)	-	(27.99)	100%

Notes

i. Proposed dividend from any of the subsidiaries is Nil.

ii. if different from the holding company's reporting period

iii. Converted at historcal exchange rates

iv. Reserve and surplus includes other comprehensive income, Security premium, General reserve, Legal reserve and Share options outstanding account

v. Including Fixed assets and investments at historcal exchange rates

vi. Converted at average exchange rates

vii. Investments includes investments in subsidiaries

viii. Turnover includes other income and other operating revenues (including inter-company transactions)

ix. Subsidiaries of the Company are yet to commence their operations

Part - B : Associates

Statement pursuant to section 129(3)of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associates	Date on which the Associate or Joint Venture was associated or acquired	Latest Balance sheet date	Share of associates held by the Company on the year end			Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholders as per latest audited Balance sheet	Profit/ (loss) for the year	
				No of shares held	Amount of Investment	% Holding				Considered in consolidation	Not considered in consolidation
1	Pearl Landcon Private Limited	21st October, 2003	Mar 31, 2021	5,000	0.50	25%	Equity holding more than 20%, but less than 50%	Not applicable	1.03	(1.05)	(3.32)

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Date: May 19, 2021
Place : Jaipur

ANNEXURE - 7

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29308RJ1992PLC006870
2.	Name of the Company	Gravita India Limited
3.	Year of Incorporation	1992
4.	Registered address	"Saurabh", Chittora Road, Harsulia Mod, Diggi- Malpura Road, Tehsil - Phagi Jaipur-303904
5.	Website	www.gravitaindia.com
6.	E-mail id	info@gravitaindia.com
7.	Financial Year reported	1st April, 2020 to 31st March, 2021
8.	Name of Stock Exchange on Where Shares are Listed	BSE & NSE
9.	Sector(s) that the Company is engaged in (industrial activity code-wise)	See table below

Group	Class	Sub-Class	Description
242	2420	24203	Manufacturing of lead, zinc and tin products and alloys
242	2420	24202	Manufacture of Aluminium from alumina and by other methods and products of Aluminium and alloys
222	2220	22209	Manufacture of other plastics products n.e.c.

10.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Lead, Aluminium & Plastic Products
11.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations	11 Company operating with its subsidiaries located at Mozambique, Senegal, Tanzania, Ghana, Nicaragua, Sri Lanka, Netherlands, Jamaica, USA, Costarica etc.
	(b) Number of National Locations	Plant Locations: (i) 'Saurabh', Chittora Road, Harsulia Mod, Diggi- Malpura Road, Tehsil-Phagi Jaipur-303904. (ii) Plot No. 322, Mithirohar Industrial Estate, Mithirohar, Taluka Gandhidham, Gujarat. (iii) Plot No. PA-011-006, Mahindra SEZ, Village Kalwara, Tehsil Sanganer, Distt. Jaipur. (iv) Survey No. 233/15 to 233/30, Thiruthani Road, Ananthapuram- Panchayat Narasingarayani Pettah Post, Chittoor. (v) 25, SICOP Industrial Estate, Kathua-184101, J&K.
10	Markets served by the Company	

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 13.81 Crore
2	Total Turnover (INR)	₹ 1226.41 Crore
3	Total profit after taxes (INR)	₹ 32.15 Crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.74% of Net Profit After Tax (CSR Spent is ₹ 87.95 Lacs)
5	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure- 1 of the Board Report.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	No
3	If yes, then indicate the number of such subsidiary company(s) Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has not mandated any supplier, distributer etc., to participate in BR Initiatives of the Company. However, they are encouraged to adopt Business Responsibility initiatives and follow the concept expected of responsible businesses.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) **Details of the Directors/Director responsible for implementation of the BR policy/policies**

DIN Number	00855284
Name	Rajat Agrawal
Designation	Managing Director

(b) **Details of the BR head**

DIN Number (if applicable)	05332393
Name	Yogesh Malhotra
Designation	WTD & CEO
Telephone number	+91-141-4057700
E-mail id	info@gravitaindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

a. **Details of compliance (Reply in Y/N)**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs have identified nine areas of Business Responsibility which have been coined in the form of nine business principles. These principles are as under –

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do we have a policy / policy for the BR principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company has adopted various standards specified by the International Organization for Standardization (ISO). These area) a) ISO 9001: 2015 for Quality management system. b) ISO 14001: 2015 for Environment management system. c) ISO 45001: 2018 Health and Safety management system.								

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		d) 2 (Two) International Lead Association approved plants [Phagi, Rajasthan & Chittoor, Andhra Pradesh] Apart from these, other standards which the Company is following with are: a) National Voluntary Guidelines (NVG) given by Ministry of Corporate Affairs for Social, Environment and Economic responsibility of business. The policies related to all principles are formulated with detailed consultation with relevant stakeholders as per industry framework and market standards, as per management guidelines within the applicable legal and regulatory framework requirements, at national and international level.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The relevant policies are administered by the Departmental Heads who report to the Management of the Company who is responsible for monitoring and overseeing all policy implementation.								
6	Indicate the link for the policy to be viewed online?	**https://gravitaindia.com/wp-content/uploads/pdf/BRpolicy.pdf**								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Communication is an on-going process. For this purpose, the policies have been posted on the Company's website for information of all stakeholders. Rest of the policies are internal documents of the Company and/or available on intranet for all employees of the Company.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b. **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

4. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the Company is regularly assessed by the Executive Committee comprising of senior management personnel. However, there is no specific frequency.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Company publishes BR report annually and the same forms part of annual report, which can be accessed in the Company's website i.e. https://www.gravitaindia.com/investors/annual-reports/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policy relating to ethics, bribery and corruption extends beyond our Company employees, both permanent and temporary, Directors and also covers the Gravita group of Companies.

The Company has adopted a Code of conduct applicable to the Board of Directors and senior management personnel of the Company. The members of the Board of Directors and the members of the Senior Management of the Company are required to affirm on an annual compliance of this code. This Code requires the Directors and senior management personnel of the Company to act honestly, ethically and with integrity. The Code guides the Directors and senior management personnel to conduct themselves in professional, courteous and respectful manner and also to ensure their independent judgement is not impacted.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The vigil mechanism serves as a mechanism for its Directors and employees to report any genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct. The Company has not received any significant complaints from stakeholders in the previous financial year. However, there were 28 complaints received from the investors during the year 2020-21. All these complaints were properly attended and necessary actions were taken.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in recycling of Re-melted Lead, Lead Alloys which caters the requirements of Automotive and Industrial applications.

The Company is committed to attainment of environmental and economic benefits from efficient use of energy, water and raw materials. The Company ensures compliance requirements of the law that relates to products and services, environmental aspects and occupational hazards.

Further, the company while doing its operations:

a. Assure safety & optimal use of resources over the product lifecycle and ensure that everyone connected with it are aware of their responsibilities;

b. Ensure that all services are procured/delivered embedding the principles of labour practices, human rights, ethics, occupational health, safety and environment;

c. Regularly review and improve upon the technological advancement & commercialization thereof, incorporating social, ethical and environmental considerations;

d. The Company will continuously encourage its business partners and third parties with whom it conducts business to abide by this policy.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Being a manufacturing company there is intensive need for resources – water, energy and raw materials, in our operations. We therefore recognize the impact of our operations on the environment and adopt strategies to minimize our resource use in all our processes. To further channelize our endeavors, we consciously track usage of these resources – water, energy and raw materials, throughout our operations.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The company has made two major design improvements for conservation of energy.

1. Variable Frequency Drives (VFDs) are being used for all large process fan motors.
2. Optimization of motor and gearbox in Aluminium Ingot Casting Machine thereby reducing the power consumption of driving motor.

These changes will help the company in saving electricity consumption.

The Company is making efforts to utilize alternate sources and has plans to install solar panels at the roof of workshop shed for its plants situated at Chittoor, Phagi& SEZ Jaipur thereby minimizing the consumption of electricity from commercial electricity boards.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavors to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. The main raw materials – Battery, Aluminum and plastic scrap is collected from traders who are well reputed global players. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to mitigate the impact on climate.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages procurement of raw materials and avail services from the local vendors who are in close proximity to the Company's plants and region, which helps us in time saving and reduction in logistic costs. The Company is in continuous communication with the local and small vendors to improve their capacity to meet the procurement requirements of the Company.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company endeavors to manage the environmental impacts of organizational activities, products and services. The Company uses scrap of Lead, Aluminum and Plastic in manufacturing of finished goods and has in place a structure to collect the scrap and recycle the same. The Company has systems in place to mitigate the exposure risk of hazardous materials during manufacturing, application and disposal at all our plants.

Principle 3

1. Please indicate the Total number of employees.

The Company has 1319 employees as on 31st March, 2021 including employees hired on temporary basis.

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

The Company does not hire employees on contractual or casual basis.

3. Please indicate the Number of permanent women employees

The Company has 62 permanent women employees as on 31st March, 2021.

4. Please indicate the Number of permanent employees with disabilities

The Company has 2 permanent employees with disabilities.

5. Do you have an employee association that is recognized by management?

No

6. What percentage of your permanent employees is members of this recognized employee association?

NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

a.	Permanent Employees	100% of our employees have been given safety training and 100% of our employees are given skill development training in their respective fields.
b.	Permanent Women Employees	
c.	Casual/Temporary/Contractual Employees	
d.	Employees with Disabilities	

Principle 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders**

   Yes

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   We have provided residential facilities to our employees working at manufacturing facility. We have ensured good education to the children of our marginalized employees by providing ward fees to them and we have provided medical facilities to our marginalized employees and their children. We have also provided free canteen facility to all our employees.

   The Company builds a lasting relationship with all the stakeholders, internal and external, through meaningful discussions. This process helps us review the actions, rethink the roadmaps, redress grievances and recognize new venues of growth for all the stakeholders.

   The details of engagements platforms for each stakeholder are as follows:

Key Stakeholders	Engagement Platforms
Employees	Intranet, Communication Meeting, Training Programs, Annual health check-ups, canteen services, covid vaccination drive, residential colony for labours at manufacturing facilities, ward fees to marginalized employees
Investors and Shareholders	Quarterly Results, Annual Reports, Earnings call, Analyst Meet, Press Releases
Society	Various initiatives are taken by the Company for welfare of society through its CSR programmes
Customers & Partners	Customers: Regular business meetings, Customer satisfaction survey

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ JointVentures/Suppliers/ Contractors/NGOs/Others?**

   The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the HR policies and processes adequately addresses these aspects. The Company does not hire child /forced or involuntary labour. All the employees are treated in a just, fair and equal manner. This practice extends across the Gravita Group of Companies.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The vigil mechanism serves as a mechanism for its Directors and employees to report any genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct. The Company has not received any significant complaints from stakeholders in the previous financial year. However, there were 28 complaints received from the investors during the year 2020-21. All these complaints were properly attended and necessary actions were taken.

Principle 6

1. **Does the policy relate to Principle 6 cover only the company or extends to the Group/ Joint Ventures / Suppliers/Contractors/ NGOs/others?**

   The policy on environment covers the Company only. Our foreign subsidiaries has their own policy and guidelines governing environment protection commensurate to laws of jurisdiction in which it operates. The Company encourages the parties associated with it to follow the governing principles of this policy for protection and restoration of environment.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, all its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption.

3. **Does the company identify and assess potential environmental risks? Y/N**

The Company has a mechanism to identify and assess risks which includes environmental related risks. The Company is certified with ISO 14001:2015 – Environment Management Systems.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

None of our activities damage the environment, most of our activities are environment friendly and an effective pollution control measures have been taken at all our manufacturing facilities. There is no requirement of filing environment compliance report.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

No. Our activities use minimum energy and they are environment friendly.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are no legal notices from CPCB/SPCB pending as on end of financial year.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

a. Confederation of Indian Industry (CII)

b. Federation of Indian Export Organisation (FIEO)

c. Rajasthan Chamber of Commerce Industries (RCCI)

d. Material Recycling Association of India (MRAI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company is represented on the governing bodies and several committees – both at the state and national levels of CII and through these forums the Company actively participates in various issues concerning business and society.

Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

At Gravita CSR activities are as important and critical as business processes. Gravita Group, through its CSR initiatives, has been involved in making holistic and meaningful contribution to the society. Along with business values, it isthe company's vision of maintaining environmental integrity which has enabled us to extend these CSR initiatives beyond our core business objectives & practices. Our CSR policy encompasses initiatives to conserve, sustain and renew our environment to encourage a self-sustainable system. An amount of ₹ 87.96 Lacs was spent towards various CSR projects and initiatives taken by the Company during the financial year 2020-21 and people from all over the country have benefitted from these CSR activities of the Company. The details of the CSR projects undertaken by the Company during the year under review are set out in Annexure - 1 to the Board's Report

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

Some of the programmes have been undertaken by the in-house team whereas some are being undertaken by external organizations.

3. **Have you done any impact assessment of your initiative?**

No

4. **What is your company's direct contribution to community development projects- Amount in INR and thedetails of the projects undertaken?**

   The Company has spent Rs. 87.96 Lacs on the CSR Activities during the financial year 2020-21 The amount was spent on areas as mentioned in Annexure -1 to the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so**

   The main focus of the CSR policy of the Company is on health, education and environment. The various initiatives taken in these areas have a positive impact on the stakeholders surrounding the communities where such community development programs were undertaken by the Company.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Nil

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   N.A.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There were no cases against the Company in relation to unfair trade practices, irresponsible advertising and/or Anti-competitive behavior during the past five years and there are no pending cases as on 31st March, 2021.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Consumer survey/Consumer satisfaction trends is being conducted periodically to assess the consumer satisfaction levels.

Principle 10

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Nil

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   N.A.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There were no cases against the Company in relation to unfair trade practices, irresponsible advertising and/or Anti-competitive behavior during the past five years and there are no pending cases as on 31st March, 2021.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Consumer survey/Consumer satisfaction survey is being conducted periodically to assess the consumer satisfaction levels.

For Gravita India Limited

Yogesh Malhotra
(WTD&CEO)
DIN: 05332393

Rajat Agrawal
(Managing Director)
DIN: 00855284

Date: 30th July, 2021
Place: Jaipur

Corporate Governance Report

Company's Philosophy on Code of Governance

Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Gravita India Limited (hereinafter referred to as 'Gravita') is fully committed to practicing sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organization, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values

The Company fosters a culture in which high standards of ethical behavior, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

Board of Directors

The Board plays crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board of Directors and keep our governance practices under continuous review. As on 31st March, 2021, the total Board strength comprises of 6 (six) Directors out of which 3(Three) Directors are Executive Directors and 3 (Three) are Independent Directors. The Company's Board Members are from diverse backgrounds with skills and experience in critical areas like Marketing, Finance & Taxation, Economics, Law, Governance etc. Further, all Independent Directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring the best interests of stakeholders and the Company. They take active part at the Board and Committee Meetings by providing valuable guidance to the management on various aspects of Business, Policy Direction, Governance, Compliance etc. and play critical role on issues, which enhances the transparency and add value in the decision-making process of the Board of Directors. The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17 (1) and 17 (1) (A) of SEBI (LODR) Regulations, 2015. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements. Further in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 as amended from time to time and are independent of management.

The details of the composition of the Board as on 31st March, 2021, the attendance record of the Directors at the Board Meetings held during the financial year 2020-21 and at the last Annual General Meeting (AGM), along with the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given herein below:

Name	Category	Whether attended AGM held on 21st November, 2020	Number of Directorships in other companies as on 31st March, 2021#	Directorship in listed entity &Category of Directorship as on 31st March, 2021	No. of committee positions held in other public companies as on 31st March, 2021	
					Chairman	Member
Dr. Mahavir Prasad Agarwal	Executive and Promoter	No	6	Nil	Nil	Nil
Mr. Rajat Agrawal	Executive and Promoter	Yes	3	Nil	Nil	Nil
Mr. Yogesh Malhotra	Executive	Yes	2	Nil	Nil	Nil
Mr. Dinesh Kumar Govil	Non-Executive Lead Independent	Yes	3	Nil	1	Nil
Mr. Arun Kumar Gupta	Non-Executive Independent	No	Nil	Nil	Nil	Nil
Mrs. Chanchal Chadha Phadnis	Non-Executive Independent	Yes	Nil	Nil	Nil	Nil

#Directorship does not include directorships held in Foreign Companies. Further for the purpose of calculation of chairmanship and membership of committees all the committees has been considered.

1. Dr. Mahavir Prasad Agarwal, Whole-time Director of the Company is father of Mr. Rajat Agrawal, Managing Director of the Company. Except this there are no inter-se relationships among the other Directors.

2. None of the Director is member in more than 10 committees or Chairman of more than five committees across all companies in which he is a Director. Further none of the Director acts as an Independent Director in more than 7 Listed Companies.

3. Non-executive Directors of the company do not hold any shares and coverable instruments of the company as on 31st March, 2021

Skills/Expertise/Competence of the Board of Directors

List of core skills / expertise / competencies required by the Board (identified by the Board) for efficient functioning of the Company in the present business environment and those skills/expertise/competence actually available with the Board are as follows: -

S. No.	Skills / Expertise / Competencies identified by the board of directors as required in the context of the business and sector(s) to function effectively		Status of availability with the Board
1	Understanding of Business/Industry	Experience and knowledge of Manufacturing and Recycling associated businesses	P
2	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities.	P
3	Critical and innovative thoughts	The ability to critically analyses the information and develop innovative approaches and solutions to the problems.	P
4	Financial Understanding	Ability to analyses and understand the key financial statements, assess financial viability of the projects and efficient use of resources.	P
5	Market Understanding	Understanding of market scenario related to the business segment in which company is working.	P
6	Risk and compliance oversight	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks.	P

Name of Director	Areas of Expertise					
	Understanding of Business/ Industry	Strategy and strategic planning	Critical and innovative thoughts	Financial Understanding	Market Understanding	Risk and compliance oversight
Dr. Mahavir Prasad Agarwal	√	√	√	√	√	√
Mr. Rajat Agrawal	√	√	√	√	√	√
Mr. Yogesh Malhotra	√	√	√	√	√	√
Mr. Dinesh Kumar Govil	√	√	√	√	√	√
Mr. Arun Kumar Gupta	√	√	√	√	√	√
Mrs. Chanchal Chadha Phadnis	√	√	√	√	√	√

Board Meetings

Dates for the Board Meetings are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board to address specific needs of the Company are held as and when deemed necessary by the Board. In case of any emergency, resolutions may be passed by circulation. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any. 6 (Six) Board Meeting(s) were held during the reporting period. The intervening period between two Board meetings is well within the maximum gap as prescribed under Regulation 17 (2) of SEBI (LODR) Regulations, 2015. Details of the same are reproduced herein below:

S. No	Date of Meeting	Board Strength	No. Of Directors Present
1	25th June, 2020	6	5
2	5th August, 2020	6	5
3	10th November, 2020	6	6
4	28th January, 2021	6	6
5	17th March, 2021	6	6
6	25th March, 2021	6	6

Attendance of each Director at the Board Meetings:

Name of Director	Board Meetings held during the year	Meetings Attended
Dr. Mahavir Prasad Agarwal	6	6
Mr. Rajat Agrawal	6	6
Mr. Yogesh Malhotra	6	6
Mr. Dinesh Kumar Govil	6	4
Mr. Arun Kumar Gupta	6	6
Mrs. Chanchal Chadha Phadnis	6	6

Meeting of Independent Directors

In compliance of Section 149 of Companies Act, 2013 read-with the provisions of Schedule IV of the Companies Act, 2013 and the provisions of SEBI (LODR) Regulations, 2015 a separate meeting of Independent Directors was held on 17th March, 2021. Further, it is confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management. Attendance of Independent Directors at the meeting is given hereunder:

Name of Director	Whether present or not
Mr. Dinesh Kumar Govil	Yes
Mr. Arun Kumar Gupta	Yes
Mrs. ChanchalChadhaPhadnis	Yes

Audit Committee

The Audit Committee of the Company comprises of three Non-Executive and Independent Directors and is constituted in accordance with the requirements of the SEBI (LODR) Regulations, 2015 read with Companies Act 2013. Mr. Dinesh Kumar Govil is the Chairman of the Audit Committee. All the members of the committee are financially literate and possess thorough knowledge of accounting or related financial management expertise

The Statutory Auditors, Cost Auditors and Internal Auditors are invited to the Audit Committee Meetings to discuss with Directors the scope of audit, their comments, and to discuss the Internal Audit Reports. Minutes of the Audit Committee Meetings are circulated to all the Members of the Audit Committee and thereafter discussed and noted at the subsequent Board Meetings.

The Company Secretary of the Company acts as Secretary of the Audit Committee.

The Audit Committee met 4 (four) times during the financial year 2020-21 on:

24th June, 2020

05th August, 2020

10th November, 2020

28th January, 2021

The intervening period between two Audit Committee meetings is well within the maximum gap of one hundred and twenty days as prescribed under Regulation 18 (2) (a) of SEBI (LODR) Regulations, 2015.

Composition of Audit Committee and Attendance:

Name of the Members	Designation	Number of Meetings held during the year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	4	2
Mr. Arun Kumar Gupta	Member	4	4
Mrs. Chanchal Chadha Phadnis	Member	4	4

The terms of reference of the Audit Committee are broadly as follows:

- Oversight of the entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be stated in the Board's report in terms of provisions of Companies Act;
    - 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)/Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends)and creditors;

- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset sizeof the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- The audit committee shall mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
- Carrying out any other function as is mentioned in the terms of reference of the audit committee as may be specified under the provisions of the Companies Act, 2013 and /or SEBI (LODR) Regulations, 2015 and such other provisions, as may be applicable.

Nomination & Remuneration Committee

The Nomination and Remuneration Committee reviews and recommends the payment of salaries, commission and finalizes appointment and other employment conditions of Directors, Key Managerial Personnel and other Senior Employees. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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 their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

Composition and Meeting: The Company`s Nomination & Remuneration Committee comprises of three Non-Executive and Independent Directors. Mr. Dinesh Kumar Govil is the Chairman of the Nomination and Remuneration Committee. During the financial year 2020-21the Committee met 2 (two) times i.e. on 25th June, 2020 and 17th March, 2021.

Composition of Nomination &Remuneration Committee and Attendance during F.Y. 2020-21:

Name of the Members	Designation	Number of Meetings held during the Year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	2	1
Mrs. Chanchal Chadha Phadnis	Member	2	2
Mr. Arun Kumar Gupta	Member	2	2

Details of Remuneration paid to Directors during F.Y. 2020-21

Name of the Director	Designation	Salary and other allowances	Stock options	Performance Incentive/ Special Ex-Gratia	Provident Fund and Gratuity	Total
Dr. Mahavir Prasad Agarwal	Whole-time Director	1,20,00,000	Nil	Nil	8,05,140	1,28,05,128
Mr. Rajat Agrawal	Managing Director	1,00,13,784	Nil	Nil	7,99,812	1,08,13,596
Mr. Yogesh Malhotra	Whole-time Director & CEO	47,47,068	Nil	31,27,500	5,65,356	84,39,924

Notes:

a) The Company does not have any pecuniary relationship with any Non-Executive Independent Director except for reimbursement of traveling expenses to the Directors for attending Board Meeting. No sitting fee is paid for attending the meetings of Board/Committees of Directors.

b) None of the Non-Executive Directors of the company have any equity shares of the Company.

c) The company has issued memorandum of terms and conditions of appointment including remuneration to Managing Director and Whole-time Director of the Company.

d) The appointment of Mr. Rajat Agarwal and Dr. Mahavir Prasad Agarwal is for a period of 3 years from the date of their respective appointment and notice period is as per rules of the company. Further except Gratuity and Leave encashment no other severance fees is payable.

Criteria for evaluation of Director:

Following are the criteria for evaluation of performance of Directors:

1. How the person fares across different competencies as identified for effective functioning of the entity and the Board.
2. Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates.
3. Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law.
4. Whether the person is able to function as an effective team- member.
5. Whether the person actively takes initiative with respect to various areas.
6. Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.
7. Whether the person is adequately committed to the Board and the entity.
8. Whether the person contributed effectively to the entity and in the Board meetings.
9. Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc).
10. Whether person is independent from the entity and the other directors and there if no conflict of interest.
11. Whether the person exercises his/ her own judgement and voices opinion freely.

Remuneration Policy

The remuneration paid to Executive Directors is recommended by Nomination &Remuneration Committee and approved by Board in Board Meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company and it can be accessed through web link: http://www.gravitaindia.com/wp-content/uploads/pdf/nomination-remuneration-policy.pdf

- **Appointment Criteria and qualifications:**

  The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

  A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Directors including Independent Directors and KMPs should meet the requirements/criteria, if any, as prescribed/may be prescribed under the provisions of the Companies Act, 2013, from time to time. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

  The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

  Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Act, read with Schedule IV and Rules thereunder and SEBI (LODR Regulations), 2015 as amended from time to time.

- **Remuneration to the Whole-time Director/Managing Director:**

  The Remuneration/ Commission/Performance Incentive etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per 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 shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors in accordance with the provision of the Companies Act, 2013 and Listing Regulations.

- **Remuneration to Non- Executive/ Independent Director:**

  Sitting Fees:

  The Non-executive/ Independent Directors of the Company may be paid sitting fees, if any, as per the applicable Regulations and provisions of the Companies Act, 2013 or any other enactment for the time being in force. Further no sitting fee shall be paid to Executive Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company Provided that the amount of such fees shall not exceed the amount as prescribed in Companies Act, 2013.

  Profit Linked Commission:

  The profit –linked Commission shall be paid as per applicable provisions of the Companies Act and listing Regulations.

  Stock Options:

  Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

- **Remuneration to Senior Management Personnel, Key Managerial Personnel and Other Employees:**

  The Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/ or as may be approved by the Committee. The Remuneration may consist of Fixed and Flexible Pay, Performance Based Incentive, Stock Options or in any other form as per HR Policies of the company.

- **Minimum Remuneration:** If, in any financial year, the Company has no profits, or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act, and if it is not able to comply with such provisions, with the prior approval of the Central Government.

- **Provisions for excess remuneration:** If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders'/ investors' complaints with respect to transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc. As on 31st March, 2021, the Committee comprises of three Directors viz. Mr. Dinesh Kumar Govil, Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal.

No. of Meetings

During the year under review 4 (Four) Meeting of Stakeholders 'Relationship Committee was held i.e. on 25th June,2020, 05th August, 2020, 10th November, 2020 and 28th January, 2021.

Meeting of Stakeholder Relationship Committee and Attendance during F.Y. 2020-21:

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	4	2
Dr. Mahavir Prasad Agarwal	Member	4	4
Mr. Rajat Agrawal	Member	4	4

The terms of reference of the Stakeholders' Relationship Committee are broadly as follows:

- 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.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- 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;
- 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.

Further before the above changes the terms of reference i.e. till 31st March, 2021 of Stakeholders' Relationship Committee were as under:

- To consider and review shareholders'/ investors' grievances and complaints and ensure that all shareholders'/ investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/ or legal impediments;
- To approve and register transfers and transmission of Equity Shares;
- To Sub Divide, Consolidate and /or replace any Share Certificate of the Company;
- To authorize affixation of Common Seal of the Company to share certificates;
- To do all other acts and deeds as may be necessary or incidental to the above.

Compliance Officer: Mr. Nitin Gupta is Compliance Officer and Company Secretary of the Company.

Status of Investor Complaints: The Company received 33 (Thirty-Three) complaints from investors which were resolved well in stipulated time by the Company and there were no complaints pending with the company or its Share Transfer Agents as on 31st March, 2021.

Compensation Committee

The Compensation Committee of the company comprises of three Non-Executive Directors. The Chairman of Compensation Committee is Mr. Dinesh Kumar Govil. The Compensation Committee administers the Employee Stock Option Plans and Stock Appreciation Right Scheme of the Company and determines eligibility of employees for Stock Options and Stock Appreciation rights. As on 31st March, 2021 the committee comprises of following directors Mr. Dinesh Kumar Govil, Mrs. Chanchal Chadha Phadnis and Mr. Arun Kumar Gupta.

No. of Meetings: The Committee met 1(one) time during the F.Y. 2020–21 on 17th March, 2021.

Meetings of Compensation Committee and Attendance during F.Y. 2020-21:

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	1	1
Mrs. Chanchal Chadha Phadnis	Member	1	1
Mr. Arun Kumar Gupta	Member	1	1

Investment Committee:

The Company has an Investment Committee comprising of three Directors viz., Mr.Rajat Agrawal, Dr. Mahavir Prasad Agarwal and Mr. Dinesh Kumar Govil. The committee has no designated chairman.

No. of Meetings: During the year under review no Meeting of investment Committee took place.

Terms of Reference

- ❖ To make decisions about investments to be made by the Company in various overseas ventures whether by way of Equity or Capitalization of Exports or by way of loan;
- ❖ To make decisions about investments to be made by the Company in shares, stocks, units of mutual funds, subscription to public issues of other companies etc.; and
- ❖ To make decisions about disinvestments/ alienation/ sale/ transfer/ gift or pledge of any of the investments made in clause mentioned above which the Committee may consider most beneficial in the interest of the Company.

Corporate Social Responsibility Committee

In terms of the requirement of Section 135 of Companies Act 2013 and Rules made thereunder, the Company has constituted the Corporate Social Responsibility Committee ("CSR Committee") comprising of three Directors; amongst them-Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal are executive directors and the Chairman of the Committee Mr. Dinesh Kumar Govil, is a Non-Executive Independent Director.

No. of Meetings: The Committee met 2 (two) times during the F.Y. 2020–21 on 5th August, 2020 and 17th March, 2021 respectively.

Composition of Corporate Social Responsibility Committee and Attendance:

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	2	1
Mr. Rajat Agrawal	Member	2	2
Dr. Mahavir Prasad Agarwal	Member	2	2

Terms of Reference

- ❖ To formulate the Corporate Social Responsibility policy of the company which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Act;
- ❖ To recommend the expenditure that can be incurred for this purpose;
- ❖ To monitor CSR policy of the company from time to time;
- ❖ To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company;
- ❖ To ensure that all kind of income accrued to the Company by way of CSR activities should be credited back to the community or CSR corpus.

Finance & Risk Management Committee

The Company has a Finance & Risk Management Committee comprising of three directors viz. Mr. Rajat Agrawal, Dr. Mahavir Prasad Agarwal and Mr. Dinesh Kumar Govil. Further w.e.f 30th July, 2021 the name of said committee has been changed from "Finance & Risk Management Committee to 'Finance Committee' and the composition of the said committee has also changed by appointing Mr. Yogesh Malhotra as Chairman of this committee in place of Dr. Mahavir Prasad Agarwal. Further the terms of reference of the said committee has also been revised w.e.f 30th July, 2021.

No. of Meetings: The Committee met 6 (Six) times during the F.Y. 2020-21 on:

13th May, 2020

11th June, 2020

23rd July, 2020

29th October, 2020

4th January, 2021

4th March, 2021

Meetings of Finance & Risk Management Committee and Attendance during F.Y. 2020-21:

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Dr. Mahavir Prasad Agarwal	Chairman	6	6
Mr. Rajat Agrawal	Member	6	6
Mr. Dinesh Kumar Govil	Member	6	3

Terms of Reference

- To approve Short-Term and Long-Term borrowings including Term Loans, Vehicle Loans, vendor financing services from Banks, Financial Institutions, Bodies Corporates, etc. for the business purposes of the Company upto an amount of Rs. 1500 Crores.
- To approve opening and closing of various types of bank accounts including approval for availing net banking facilities from various banks.
- To approve change in authority with respect to Bank Accounts of the Company maintained with various Banks.
- To approve policy for the hedging of Commodity Price and Foreign Currency.
- To approve the granting of loans, guarantees, indemnities, securities in favour of Subsidiaries/Associates/Partnership firms of the company and otherwise, subject to the requirement that all such actions are subsequently reported to the Board.

Risk Management Committee

The Company has formed a Risk Management Committee w.e.f 19th May, 2021 pursuant to SEBI circular no. No. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021 which comprises of three directors viz. Mr. Dinesh Kumar Govil, Chairman, Mr. Rajat Agrawal, Member and Mr. Yogesh Malhotra, Member. The terms of reference of the said committee are as under:

Terms of Reference

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks and impact) information and cyber security risks.
  - Measures for risk mitigation
  - Systems for internal controls and
  - Business contingency plan
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management and internal control systems;
- To Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To review the risk management policy on annual basis, including by considering the changing industry dynamics and evolving complexity;
- To keep the board informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the risk management committee, jointly with the nomination and remuneration committee The Risk Management Committee shall coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities.

General Body Meetings

The details of General Meetings held in the last three years are given below:

S.No.	AGM	Date	Time	Venue	No. of Special Resolutions passed
1.	26th AGM	01.09.2018	11:00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggi- Malpura, Tehsil- Phagi, Jaipur-303904	3
2.	27th AGM	20.09.2019	11:00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggi- Malpura, Tehsil- Phagi, Jaipur-303904	4
3.	28th AGM	21.11.2020	1:00 P.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggi- Malpura, Tehsil- Phagi, Jaipur-303904	1

- No Extra-Ordinary General Meeting of the Shareholders was held during the year.
- None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

Pledge of Shares: No Pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders during the Financial Year ended 31st March, 2021.

Review of Legal Compliance Reports: Alike the previous years, the Board, during the year, periodically reviewed the reports placed by the management with respect to adherence and compliance with various laws and regulations applicable to the Company. The Internal Auditors also reviewed the compliance status of the Company within their terms of reference and reported to the Audit Committee accordingly.

Certificate from Company Secretary in Practice: The company has obtained a certificate from Mr. Pradeep Pincha, Practicing Company Secretary confirming 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 as on 31st sMarch, 2021and the same is attached to this Report.

Disclosures:

Financial Statements/Accounting Treatments: In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Materially Significant Related Party Transactions: There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company.

Disclosure on Risk Management: The Board is periodically informed about the key risks and their minimization procedures. Business risk evaluation and management is an ongoing process within the Company.

Details of non-compliance: During the year under review company has made a delayed filing under Regulation 30 of SEBI (LODR) Regulations, 2015. Further, no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.

Familiarization Programme: The Company has Familiarization Program for Independent Directors to familiarize them with regard to their roles, rights, responsibilities in the Company, along with industry, business operations, business model, code of conduct and policies of the Company etc. The Familiarization Program has been disclosed on the website of the Company. The company's policy on familiarization programme is available on following web link: http://www.gravitaindia.com/wp-content/uploads/pdf/familarization-programme.pdf.

CEO and CFO Certification: The certificate required under Regulation 17 (8) of SEBI (LODR) Regulations, 2015 duly signed by CEO and CFO was placed before the Board and the same is also provided with this report.

Compliance with the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015: During the year, the Company has complied with all applicable mandatory corporate governance requirements of the Listing Regulations. Specifically, Company confirms 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 Listing Regulations.

Certificate of compliance of Corporate Governance: The Company has obtained a certificate affirming the compliances of Corporate Governance from M/s P. Pincha & Associates, Practicing Company Secretaries, Jaipur and the same is attached to this Report.

During the year under review the company has not raised any funds through preferential allotment or qualified institutions placement as specified under SEBI Regulations.

Web link for Policies: The Policies adopted by company can be accessed by following web link:

For Policy on determining Material Subsidiaries: http://www.gravitaindia.com/wp-content/uploads/pdf/material-subsidiaries-policy.pdf

For Policy on Related Party Transactions: http://www.gravitaindia.com/wp-content/uploads/pdf/rpt-policy.pdf

Vigil Mechanism/Whistle Blower Policy: The Audit Committee of the Board is committed to ensure fraud-free work environment and for that purpose the Committee has laid down a Whistle Blower Policy providing a platform to all its stakeholders including employees and auditors, regulatory agencies and customers of the Company to report any suspected or confirmed incident of fraud/misconduct through any of the following reporting protocols:

- **Name of Vigilance Officer:** Mr. Nitin Gupta
- **E-mail:** whistleblower@gravitaindia.com
- **Written Communication to:** Vigilance officer- Gravita India Whistle Blower Policy, A-27 B, Gravita Tower, Shanti Path, Tilak Nagar, Jaipur- 302004

During the year, no one has been denied access to the audit committee. The Policy is also available at website of the Company (www.gravitaindia.com).

Sexual Harassment Policy: The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and the Rules made there under. Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has formed an "Internal Complaints Committee" for prevention and redressal of sexual harassment at workplace. The Committee is having requisite members and is chaired by a senior woman member of the organization. Further, the Company has not received any complaint of sexual harassment during the financial year 2020-21.

Means of Communication

Financial Results

- ❖ Pursuant to Regulation 33 (4) of SEBI (LODR) Regulations, 2015, the Company has regularly furnished, by way of online electronic uploading on NEAPS and BSE Listing Centre the quarterly/half-yearly/annual audited results to both the Stock exchanges i.e. BSE & NSE within the timelines prescribed by SEBI in this regard.
- ❖ The quarterly, half-yearly and annual results are published in 'Financial Express', 'Economic Times', in English, and in 'Nafa Nuksan' (Vernacular) in Hindi. Further the same are also available on website of the company (www.gravitaindia.com)
- ❖ The quarterly/half-yearly Results are not sent individually to the Shareholders.

Website & Newsletter

- ❖ The Company's website www.gravitaindia.com contains a dedicated functional segment called 'Investors Information' (http://www.gravitaindia.com/investors) where all the information needed by the shareholders is available, including the Corporate Governance Report, Shareholding Patterns, Financial Results, Intimations sent to exchanges and Annual Reports.

News Releases, Presentations, etc.

- ❖ The price sensitive information's, if any, are immediately informed to the Stock Exchange(s) before the same is communicated to general public through press releases.
- ❖ Official news releases and Official Media Releases are sent to the Stock Exchanges regularly.
- ❖ **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for Corporate. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, etc. are filed electronically on NEAPS.
- ❖ **BSE Corporate Compliance & Listing Centre (the "Listing Centre"):** The Listing Centre of BSE is a web-based application designed by BSE for corporate. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, etc. are filed electronically on the Listing Centre.

- **SEBI Online Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints Redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- Presentations made by the company to Institutional Investors or to the analysts are also being disclosed to the stock exchanges and are uploaded on website of the company which can be accessed via following link: https://www.gravitaindia.com/wp-content/uploads/pdf/investors-presentation.pdf

Management Discussion and Analysis Report

The Management Discussion and Analysis Report form part of the Annual Report of Financial Year 2020-21. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

General Shareholder Information:

a) Annual General Meeting

Day and Date	Monday, 27th September, 2021, through video conferencing/ OAVM.
Venue	Saurabh, Chittora Road, Harsulia Mod, DiggiMalpura Road, Tehsil-Phagi, Jaipur- 303904 (Rajasthan)
Time	01:00pm
Financial Year	2020-21
Book Closure Dates	Tuesday, 21st September, 2021 to Monday, 27th September, 2021
Rate of Dividend	NA
Date of Payment	NA

b) Tentative Financial Calendar (For FY 2020-21)

The tentative schedule of Financial Results of the Company is as follows:

June Quarter Ending Results (Limited Reviewed)	Within 45 days from end of quarter
September Quarter Ending Results (Limited Reviewed)	Within 45 days from end of quarter
December Quarter Ending Results (Limited Reviewed)	Within 45 days from end of quarter
March Quarter/ Year Ending Results (Audited)	Within 60 days from end of financial year

c) Listing at Stock Exchanges

The Company's shares are presently listed on BSE Ltd and National Stock Exchange of India Ltd (NSE). The Company has paid Listing fees to BSE & NSE for the financial year 2020-21. The address details of Stock exchanges are as under:

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001 Fax No.: 022-22722041	The Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra- Kurla Complex Bandra(East) Mumbai- 400 051 Fax No.: 022-26598237/38

d) Stock Code

Stock Code for the Equity Shares of the Company at the respective Stock Exchanges is as under:

BSE Ltd : **533282**

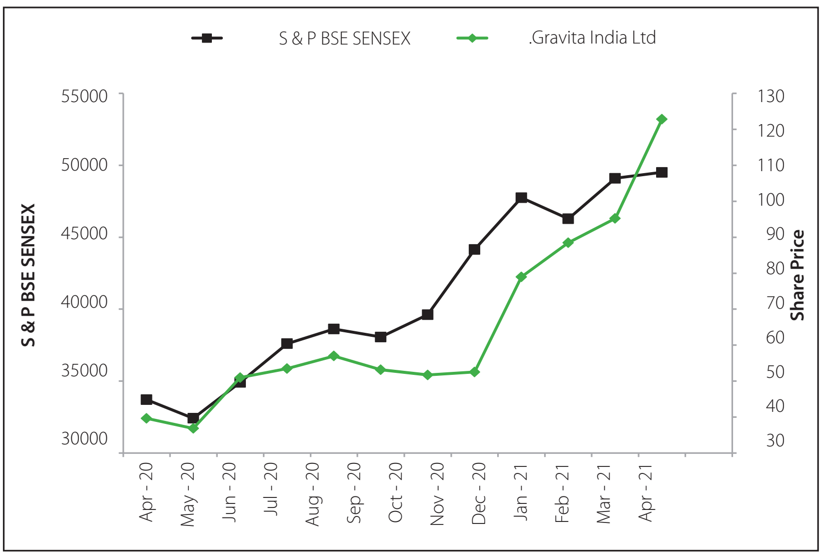
National Stock Exchange of India ltd. : **GRAVITA**

e) **Stock Market Data**

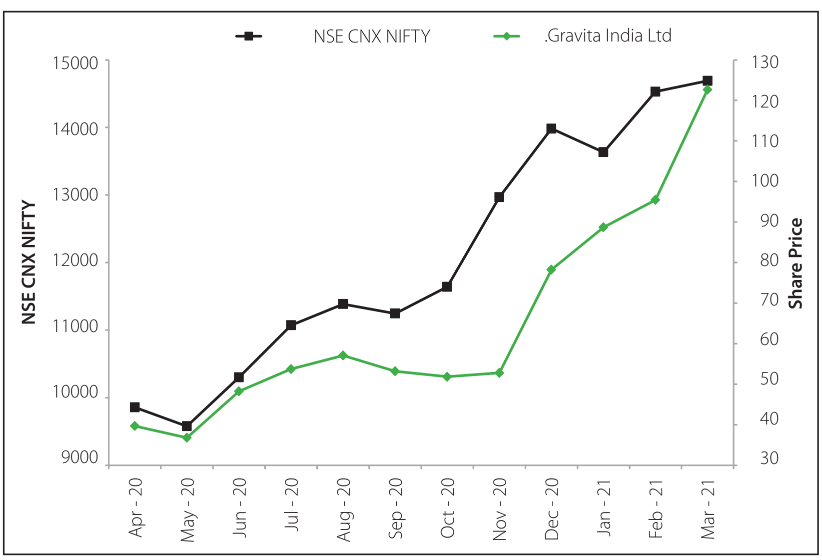
i. **Market price data for the Financial Year 2020-21**

Year and Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume in '000 (in No.)	High (Rs)	Low (Rs)	Volume in '000 (In No)
April 2020	39.65	32.00	82.683	39.70	30.20	1033.739
May 2020	36.85	32.00	47.732	36.80	32.00	407.279
June 2020	51.00	34.35	256.951	48.25	33.75	1943.140
July 2020	53.50	41.25	488.512	53.75	40.90	3897.777
Aug 2020	57.00	45.35	682.947	57.10	45.50	7748.108
Sept 2020	53.15	45.50	239.228	53.20	45.30	3722.711
Oct 2020	51.70	42.45	144.248	51.85	42.20	2004.774
Nov 2020	52.55	41.35	404.883	52.80	42.00	4895.041
Dec 2020	79.00	49.00	1474.273	78.25	48.75	14500.216
Jan 2021	88.50	73.80	522.057	88.70	73.00	5404.074
Feb 2021	95.25	74.50	682.972	95.45	74.65	11464.686
Mar 2021	122.85	90.20	1204.808	122.65	90.00	10274.002

ii. **Performance of the Company's Share Price vis-à-vis BSE Sensex during the year 2020-21:**

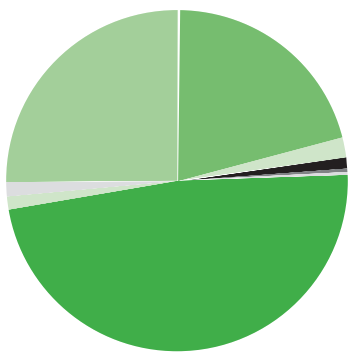


iii. **Performance of the Company's Share Price vis-à-vis NSE Nifty during the year 2020-21:**



f) **Shareholding Pattern as on 31st March, 2021:**

Category	No. of Shares	Percentage
Mutual Funds	170000	0.25
Resident Individuals	14275588	20.68
Employee Trusts	1380500	2.00
Employees	645799	0.94
Non-Resident Indians	199389	0.29
Clearing Members	190215	0.28
Promoters Individuals	33049265	47.87
Non-Resident Indian Non-Repatriable	40104	0.06
Bodies Corporates	828137	1.20
IEPF	597	Negligible
HUF	910295	1.32
Promoter Trust	17348025	25.13
Grand Total	**69037914**	**100.00**



g) **Distribution Schedule as on 31st March, 2021**

Nominal Value of Each Equity Share is ₹ 2/-

No. of Equity Shares Held	No. of Share Holders	% of Share holders	No. of Shares	Amount (In Rs.)	% of Total Shares
1-5000	18388	96.57	42,68,108	85,36,216	6.18
5001- 10000	317	1.66	11,83,726	23,67,452	1.71
10001- 20000	150	0.80	10,99,266	21,98,532	1.59
20001- 30000	51	0.27	6,36,040	12,72,080	0.92
30001- 40000	21	0.11	3,66,668	7,33,336	0.53
40001- 50000	26	0.14	5,88,367	11,76,734	0.85
50001- 100000	31	0.16	10,88,756	21,77,512	1.58
100001& Above	56	0.29	5,98,06,983	11,96,13,966	86.63
TOTAL	**16040**	**100.00**	**6,90,37,914**	**13,80,75,828**	**100.00**

h) **Corporate Identification Number (CIN)**

The Company is registered with the Registrar of Companies, Jaipur, Rajasthan. The CIN allotted to the Company by the Ministry of Corporate Affairs is L29308RJ1992PLC006870.

i) **Subsidiary Companies**

As per definition defined under SEBI (LODR) regulations, 2015, the Company does not have any Material Subsidiary, whose Income or Net worth exceeds 20% of the consolidated income or Net Worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. Further as per amendment in definition of Material Subsidiary inserted by SEBI (LODR) (Amendment) Regulations, 2018 in which limit of 20% of consolidated income or Net Worth has been revised to 10% w.e.f 01st April, 2019, there are below mentioned subsidiaries of the company which fall under the criteria of material subsidiary:

- Gravita Netherlands BV
- Gravita Mozambique LDA

j) Discretionary requirements Part E of schedule II

On discretionary basis, the company has adopted clause C and E as mentioned in Part E of schedule II.

k) Reconciliation of Share Capital Audit

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital of the Company admitted with depositories is in agreement with the capital of the Company listed with the Stock Exchanges. Further none of the shares of the company are lying in suspense account as on 31st March, 2021.

l) Share Transfer System

The Share transfers documents complete in all respects are registered and/or share transfers under objections are returned within stipulated time period.

m) Dematerialization of Shares and Liquidity

The Shares of Company are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialized as on 31st March, 2021 and the promoters holding of 73.00% is completely held in the dematerialized form as on 31st March, 2021. The Company's Equity Shares are regularly traded on the Bombay Stock Exchange and National Stock Exchange in dematerialized form. Under the Depository system, the International Security Identification Number (ISIN) allotted to the Company's shares is INE024L01027.

Disclosure with respect to demat suspense account/unclaimed suspense account

As on 31st March, 2021, there are no outstanding shares lying in the demat suspense account/unclaimed suspense account.

n) Green Initiative in Corporate Governance

As per the MCA Circular Nos. 17/2011 dated April 21, 2011 & 18/2011 dated April 29, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company. As a responsible citizen, your Company strongly urge our shareholders to support the Green Initiative by giving positive consent by registering/updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, KFIN TECHNOLOGIES PRIVATE LIMITED for the purpose of receiving soft copies of various communications including the Annual Report.

o) Outstanding GDRs/ADRs/Warrants or Any Convertible Instruments

The Company has not issued GDRs/ADRs/Warrants or any other instruments which is convertible into Equity Shares of the Company during 2020-21.

p) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Please refer to Management Discussion and Analysis Report for the same.

q) Credit Rating:

Rating Agency	Facility	Ratings/Outlook
Brickwork Ratings India Private Limited	Fund Based Cash Credit Term Loans	BWR A –(BWR Single A Minus) Outlook: Stable (Reaffirmed)
	Non-Fund Based BG/LC	BWR A2 (BWR A Two)

r) Address for Correspondence

Shareholder's correspondence should be addressed to the Company's RTA at the address mentioned below:

Registrar and Share Transfer Agents

Mr. N Shyam Kumar

KFin Technologies Pvt. Ltd

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Phone No. 040-67162222
Email: einward.ris@kfintech.com
Web site: www.Kfintech.com
For any further assistance, the Shareholders may Contact:

Company's Corporate Office:	Registered Office:
Company Secretary Gravita India Limited 402, Gravita Tower, A-27B, Shanti Path, Tilak Nagar, Jaipur – 302 004, Rajasthan, India Tel. 0141-2623266 Email: companysecretary@gravitaindia.com Web Site: www.gravitaindia.com	Gravita India Limited 'Saurabh', Chittora Road, Harsulia Mod, Diggi- Malpura Road, Tehsil-Phagi, Jaipur-303 904, Rajasthan, India Tel. 09928070682

In Compliance of Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has designated exclusive Email ID for redressal of Investor Grievances i.e. companysecretary@gravitaindia.com

s) During the financial year, there have been no instances where the Board of Directors of the Company has not accepted a recommendation of any committee of the Board which is mandatory in nature.

t) Details of fees paid by the company to its Statutory Auditors:

During F.Y. 2020-21 the company has paid following fees to its Statutory Auditors. (Rs. In Lacs)

S. No	Particulars	Amount Paid
1	Statutory Audit fees	33.50
2	Certification Charges	1.00
3	Reimbursement of out of pocket expenses	5.76
	Total	**40.26**

Apart from above nothing is paid by any subsidiary of the company to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part.

u) Plant Locations:

i. 'Saurabh', Chittora Road, Harsulia Mod, Diggi – Malpura Road, Tehsil – Phagi, Jaipur –303 904, Rajasthan, India.

ii. Plot No. 322, Mithirohar Industrial Estate, Mithirohar, Taluka Gandhidham, Gujarat.

iii. Plot No. PA-011-006, Mahindra SEZ, Village Kalwara, Tehsil Sanganer, Distt. Jaipur.

iv. Survey No. 233/15 to 233/30, Thiruthani Road, Ananthapuram- Panchayat Narasingarayani Pettah Post Chittoor, Andhra Pradesh.

DECLARATION regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

We, Rajat Agrawal, Managing Director and Yogesh Malhotra, Whole Time Director & CEO of Gravita India Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of Schedule V of SEBI (LODR) Regulations, 2015, for the year ended 31st March 2021.

For Gravita India Limited

Yogesh Malhotra
(Whole-time Director & CEO)
DIN: 05332393

Rajat Agrawal
(Managing Director)
DIN: 00855284

Date: 6th April, 2021
Place: Jaipur

Certificate on Corporate Governance

To the Members,

Gravita India Limited

We have examined the compliance of the conditions of Corporate Governance by Gravita India Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as specified under the applicable provisions of Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P. Pincha & Associates**
Company Secretaries

Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.:4426
UDIN: F005369C000309409

Dated: 11th May, 2021
Place: Jaipur

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)

To,
The Members of
Gravita India Limited
Saurabh', Harsulia Mod, P.O. Harsulia,
Diggi-Malpura Road Phagi, Rajasthan-303 904

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gravita India Limited having CIN L29308RJ1992PLC006870 and having registered office at 'Saurabh', Chittora Road, Harsulia Mod, Diggi Malpura, Tehsil-Phagi, Jaipur-303 904 (Rajasthan) (hereinafter referred to as 'the Company'), produced before us 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 Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, representations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mr. Rajat Agrawal	00855284	04/08/1992
2.	Dr. Mahavir Prasad Agarwal	00188179	27/03/2007
3.	Mr. Yogesh Malhotra	05332393	31/03/2019
4.	Mr. Dinesh Kumar Govil	02402409	30/06/2009
5.	Mr. Arun Kumar Gupta	02749451	11/08/2009
6.	Mrs. Chanchal Chadha Phadnis	07133840	24/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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 **P. Pincha & Associates**
Company Secretaries

Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.:4426
UDIN: F005369C000307473

Dated: 11th May, 2021
Place: Jaipur

CEO/CFO Certification

To
The Board of Directors
Gravita India Limited
Jaipur

We, Yogesh Malhotra, CEO & Whole-time Director (DIN: 05332393), and Sunil Kansal, CFO of the Company, hereby certify to the Board that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March,2021 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 a 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 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:

1. Significant changes in internal control over financial reporting during the year;

2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For Gravita India Limited

Yogesh Malhotra
(CEO & Whole-time Director)
DIN: 05332393

Sunil Kansal
(CFO)

Dated: 19th May, 2021
Place: Jaipur

Standalone Financial Statements

Independent Auditor's Report

To the Members of Gravita India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Gravita India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors as referred to in paragraph 15 below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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 and that obtained by the other auditors, in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. 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 period. 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.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer note 23 to the standalone financial statements. The Revenues of the Company consists primarily of sale of products and is recognized when control of products being sold is transferred to the customer and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates and trade discounts. Revenue recognition process also involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of revenue recognized.	**Our audit work included, but was not limited to, the following procedures:** a) Assessed the appropriateness of the Company's revenue recognition accounting policies in accordance with Ind AS 115 – Revenue from contracts with customers; b) Tested the design and operating effectiveness of the general IT control environment and the manual controls for recognition of revenue; c) Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, customer analysis, etc.;

Key audit matter	How our audit addressed the key audit matter
The Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue. Considering the materiality of amounts involved and significant judgements involved, the same has been considered as a key audit matter for the current year's audit.	d) Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents; e) Reviewed, on a sample basis, sales agreements and the underlying contractual terms related to delivery of goods and rebates to assess the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards; f) Obtained supporting documentation for a sample of credit notes issued after the year end to determine whether the transaction was recognized in the correct accounting period; g) Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; h) Assessed if there is any modification to, or other impact on the contracts with customers due to COVID 19 outbreak; i) Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; and j) Ensured the adequacy and appropriateness of disclosures made in the standalone financial statements in accordance with the requirements of Ind AS 115.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, 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. 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.

Independent Auditor's Report *(Contd.)*

8. 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment 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 with reference to standalone financial statements 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 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; and
    - 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.

12. 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.

13. 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.

14. 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.

Other Matter

15. We did not audit the financial statements of three partnership firms included in the standalone financial statements, whose financial information reflects total net loss after tax of ₹ 483.34 lakhs for the year ended 31 March 2021, as considered in the standalone financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management, and our opinion on the

standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these partnership firms, is based solely on the report of such other auditors.

Our opinion on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 19 May 2021 as per Annexure B expressed an unmodified opinion; and

    g) 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 Company, as detailed in note 35(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 21507000AAAABS5125

Place: Ghaziabad
Date: 19 May 2021

Annexure A to the Independent Auditor's Report

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising 'property, plant and equipment', 'capital work-in-progress', and 'other intangible assets.

(b) The fixed assets comprising 'property, plant and equipment' and 'capital work-in-progress' have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company. In respect of immovable properties in the nature of land and buildings, that have been taken on lease and disclosed under the head right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee as per the lease agreement.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) 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 sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, except advance income tax where significant delays in deposit have occurred during the year. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, goods and services tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates (FY)	Forum where dispute is pending
Central Excise Act, 1944	Service tax	53.09	3.98	2010-11 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service tax	49.25	3.69	2015-16 to 2016-17	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	114.90	8.62	2014-15 to 2017-18	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	4.02	-	2016-17	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	24.29	-	2014-15 to 2017-18	Appellate authority till Commissioner level

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates (FY)	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	13.07	-	2014-15 to 2017-18	Appellate authority till Commissioner level
Central Excise Act, 1944	Excise duty	64.81	4.86	2014-15 to 2017-18	Appellate authority till Commissioner level
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	17.84	1.78	2013-14	Appellate authority (Deputy Commissioner level)
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	311.06	16.63	2017-18	Appellate authority (Deputy Commissioner level
Goods and Services Tax Act, 2017	Goods and Services Tax	4.77	0.48	2018-19	Commissioner (Appeals)
Goods and Services Tax Act, 2017	Goods and Services Tax	1.25	-	2020-21	Assistant Commissioner (Appeals)
Goods and Services Tax Act, 2017	Goods and Services Tax	6.63	-	2017-18	Goods and Services Tax Appellate Tribunal
Customs Act, 1962	Custom duty	83.45	14.41	2011-12 to 2014-15	Customs Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	33.74	1.50	2011-12	Customs Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	2.81	-	2015-16	Customs Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	4.54	-	2014-15	Customs Excise and Service Tax Appellate Tribunal
Income-tax Act, 1961	Income tax	3.70	3.70	2011-12	Income Tax Appellate Tribunal

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures or dues to government during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: Ghaziabad
Date: 19 May 2021

Annexure B to the Independent Auditor's Report

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Gravita India Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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'). 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note 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 with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Annexure B to the Independent Auditor's Report *(Contd.)*

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 21507000AAAABS5125

Place: Ghaziabad
Date: 19 May 2021

Standalone Balance Sheet

As at March 31, 2021

(Amounts in ₹ lacs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Non - current assets			
Property, plant and equipment	2	10,755.01	10,890.21
Capital work-in-progress	3	465.56	281.46
Right-of-use assets	4	738.36	798.68
Other intangible assets	5	38.55	55.61
Financial assets			
- Investments	6	1,008.34	1,050.34
- Loans	7	1,528.07	853.23
- Others financial assets	8	2.20	2.01
Other non-current assets	9	426.64	99.79
Total non-current assets		**14,962.73**	**14,031.33**
Current assets			
Inventories	10	25,974.24	15,408.58
Financial assets			
- Investments	6	5.42	444.68
- Trade receivables	11	6,529.16	5,922.96
- Cash and cash equivalents	12	148.68	84.54
- Bank balances other than cash and cash equivalents	13	593.09	640.10
- Loans	7	13.85	27.79
- Other financial assets	8	651.38	1,807.38
Current tax assets (net)		3.17	4.49
Other current assets	9	9,805.37	9,731.65
Total current assets		**43,724.36**	**34,072.17**
TOTAL ASSETS		**58,687.09**	**48,103.50**
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,380.76	1,380.76
Other equity	15	17,521.11	15,034.41
Total equity		**18,901.87**	**16,415.17**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	4,347.92	3,000.02
- Lease liabilities	17	255.26	260.87
Provisions	18	356.75	321.73
Deferred tax liabilities (net)	19	168.03	61.13
Other non-current liabilities	20	17.59	20.22
Total non-current liabilities		**5,145.55**	**3,663.97**
Current liabilities			
Financial liabilities			
- Borrowings	16	13,992.52	18,423.16
- Lease liabilities	17	78.67	114.97
- Trade payables	21		-
Total outstanding due of micro and small enterprises		25.40	138.24
Total outstanding due of creditors other than micro and small enterprises		15,447.00	7,745.27
- Other financial liabilities	22	4,007.31	1,354.09
Other current liabilities	20	868.04	168.43
Provisions	18	42.80	39.93
Current tax liabilities (net)		177.93	40.27
Total current liabilities		**34,639.67**	**28,024.36**
Total liabilities		**39,785.22**	**31,688.33**
TOTAL EQUITY AND LIABILITIES		**58,687.09**	**48,103.50**

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Standalone Statement of Profit and Loss

For the year ended March 31, 2021

(Amounts in ₹ lacs)

	Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**Income**			
	Revenue from operations	23	1,22,641.61	1,17,239.18
	Other income	24	1,226.02	275.85
	Total income (I)		**1,23,867.63**	**1,17,515.03**
II	**Expenses**			
	Cost of materials consumed	25	99,978.18	89,063.67
	Purchases of traded goods	26	15,685.28	12,112.41
	Changes in inventories of finished goods, work-in-progress and traded goods	27	(7,879.97)	720.46
	Employee benefits expense	28	4,681.27	4,276.89
	Finance costs	29	2,411.43	2,467.12
	Depreciation and amortisation expense	30	856.63	860.69
	Other expenses	31	4,097.36	4,813.92
	Total expenses (II)		**1,19,830.18**	**1,14,315.16**
III	**Profit before exceptional items and tax (I - II)**		**4,037.45**	**3,199.87**
IV	Exceptional items	32	-	381.86
V	**Profit before tax (III - IV)**		**4,037.45**	**2,818.01**
VI	**Tax expense**	33		
	- Current tax (including earlier years)		731.36	610.23
	- Deferred tax charge/(credit)		90.50	(35.36)
	Total tax expense		**821.86**	**574.87**
VII	**Profit for the year (V - VI)**		**3,215.59**	**2,243.14**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities		(3.81)	(3.66)
	Income tax on above items		1.33	1.28
	Items that will be reclassified to profit or loss			
	Change in fair value of hedging instruments		50.74	(80.97)
	Income tax on above items		(17.73)	28.29
	Total other comprehensive income, net of tax		**30.53**	**(55.06)**
IX	**Total comprehensive income for the year (VII + VIII)**		**3,246.12**	**2,188.08**
X	**Earnings per share**	36		
	Basic (₹)		4.66	3.25
	Diluted (₹)		4.66	3.25

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Standalone Cash Flow Statement

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. Cash flow from operating activities				
Profit before tax		**4,037.45**		**2,818.01**
Adjustments for:				
Depreciation and amortisation expense	856.63		860.69	
Loss on sale/discard of property, plant and equipment	262.99		1.18	
Finance cost	2,403.88		2,454.57	
Corporate guarantee expenses	7.55		12.55	
Corporate guarantee income	(5.18)		(12.30)	
Incentive income	(2.64)		(1,569.28)	
Interest income on bank deposits	(29.73)		(36.88)	
Interest income on others	(108.24)		(61.15)	
Impairment of investments	42.00		-	
Liabilities/ provisions no longer required written back	(283.24)		(22.32)	
Share of loss/ (profit) from partnership firms (net)	483.34		(13.19)	
Allowance for expected credit loss on financial assets (including write off)	145.51		378.77	
Loss on sale/discard of investment - Exceptional item	-		381.86	
Unrealised (gain)/loss on derivatives measured at fair value through profit and loss	(401.49)		606.53	
		3,371.38		**2,981.03**
Operating profit before working capital changes		**7,408.83**		**5,799.04**
Changes in working capital:				
Adjustments for changes in operating assets:				
Inventories	(10,565.66)		(2,118.58)	
Trade receivables	(669.75)		4,214.84	
Other current and non-current assets	(91.58)		(1,012.99)	
Other current financial assets	1,557.49		(1,010.32)	
Loans	(71.37)		0.45	
Adjustments for change in operating liabilities:				
Trade payables	7,608.60		(2,974.85)	
Other current financial liabilities	(5.56)		2.74	
Other current and non-current liabilities	699.62		(305.15)	
Provisions	34.08		61.91	
		(1,504.13)		**(3,141.95)**
Cash generated from operations		**5,904.70**		**2,657.09**
Income tax paid (net of refunds)		(592.38)		(680.39)
Net cash flow from operating activities (A)		**5,312.32**		**1,976.70**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipment and intangible assets (adjusted for creditors for capital goods and capital work-in-progress including capital advances)	(1,387.59)		(367.19)	
Proceeds from sale of property, plant and equipment	7.36		21.92	
Movement in current investments (net)	1,383.79		480.67	
Loans given to related parties	(316.09)		(222.97)	
Interest received	46.18		41.06	
Movement in bank balances not considered as cash and cash equivalents	46.75		13.31	
Net cash used in investing activities (B)		**(219.60)**		**(33.20)**

Standalone Cash Flow Statement *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		5.83	
Proceeds from non-current borrowings	4,628.94		2,928.15	
Repayment of non-current borrowings	(2,082.36)		(807.04)	
Repayment of current borrowings (net)	(4,379.90)		(1,143.55)	
Payment of lease liabilities	(121.04)		(79.04)	
Finance cost paid (excluding in relation to lease liabilities)	(2,314.80)		(2,437.83)	
Dividends including corporate dividend tax paid	(759.42)		(712.63)	
Net cash (used in) financing activities (C)		**(5,028.58)**		**(2,246.11)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**64.14**		**(302.61)**
Cash and cash equivalents at the beginning of the year		84.54		387.15
Cash and cash equivalents at the end of the year (refer note 12)		**148.68**		**84.54**

The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7, 'Statement of Cash flow'.

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the Standalone Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Standalone Statement of Changes in Equity

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	Balance as at April 1, 2019	Changes during the FY 19-20	Balance as at March 31, 2020	Changes during the FY 20-21	Balance as at March 31, 2021
(a) Equity share capital (refer note 14)					
Equity share capital	1,374.93	5.83	1,380.76	-	**1,380.76**

(b) Other equity (refer note 15)

Particulars	Reserves and surplus					
	Securities premium	General reserve	Share options Outstanding account	Retained earnings	Cash flow hedging reserve	Total
Balance as at April 1, 2019	**4,173.44**	**517.90**	**96.63**	**8,777.42**	**0.47**	**13,565.86**
Profit for the year	-	-	-	2,243.14	-	2,243.14
Other comprehensive income for the year						
Remeasurement of the net defined benefit obligation, net of tax	-	-	-	(2.38)	-	(2.38)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	(52.68)	(52.68)
Total comprehensive income for the year	**-**	**-**	**-**	**2,240.76**	**(52.68)**	**2,188.08**
Adjustment on adoption of Ind AS-116 (refer note 17)		-	-	(6.90)	-	(6.90)
Transactions with owners in their capacity as owners						
Transfer from share option outstanding account on exercise of options (refer note 44)	96.63	-	(96.63)	-	-	-
Equity dividend paid (including tax thereon) (refer note 37)	-	-	-	(207.11)	-	(207.11)
Interim equity dividend paid (including tax thereon) (refer note 37)	-	-	-	(505.52)	-	(505.52)
Balance as at March 31, 2020	**4,270.07**	**517.90**	**-**	**10,298.65**	**(52.21)**	**15,034.41**
Profit for the year	-	-	-	3,215.59	-	3,215.59
Other comprehensive income for the year						
Remeasurement of the net defined benefit obligation, net of tax	-	-	-	(2.48)	-	(2.48)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	33.01	33.01
Total comprehensive income for the year	-	-	-	3,213.11	33.01	3,246.12
Transactions with owners in their capacity as owners						
Interim equity dividend paid (refer note 37)	-	-	-	(759.42)	-	(759.42)
Balance as at March 31, 2021	**4,270.07**	**517.90**	**-**	**12,752.34**	**(19.20)**	**17,521.11**

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2021

Note 1 - Corporate information, statement of compliance with Ind AS, basis of preparation and summary of significant accounting policies

(A) Corporate Information

Gravita India Limited (the 'Company') is a public limited Company domiciled and incorporated under the provisions of the Companies Act, 1956 applicable in India. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at "Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura Road, Tehsil-Phagi, Jaipur-303904 and having principal place of business in Jaipur (Rajasthan), Bhuj (Gujarat), and Chittoor (Andhra Pradesh).

The Principal activities of the Company are - Lead processing, aluminium processing, trade (Lead products and aluminium scrap) and dealing in Turn-key lead recycling projects. The Company carries out smelting of lead battery scrap / Lead concentrate to produce secondary Lead metal, which is further transformed into Pure Lead, Specific Lead Alloy, Lead Oxides (Lead sub-oxide, Red Lead, and Litharge) and Lead products like Lead sheets, Lead powder, Lead shot etc. Further, Company has also entered in the PET product manufacturing.

Amount in the financial statements are presented in Rs. Lacs, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to round off are expressed as zero. The financial statements are presented in Indian Rupees (Rs.) which is also functional currency of the company.

These financial statements for the year ended March 31, 2021 are approved and adopted by the Board of Directors in their meeting held on May 19, 2021. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

(B) Statement of compliance with Ind AS and basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 and other related provisions of the act.

The company has uniformly applied the accounting policies during the period presented.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended March 31, 2021 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 19, 2021. The financial statements have been prepared on accrual and going concern basis.

The financial statements have been prepared under historical cost convention basis except for the following –

- Certain financial assets which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

Further, certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

(C) Significant accounting policies

I. Current versus non-current classification

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

A liability is treated as current when it is:

- 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.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

II. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition or construction. Following initial recognition, property plant and equipment are carried at cost less any accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method computed on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible assets	Useful life
Buildings – factory and non-factory	5 - 60 years
Plant and equipment	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Computer and accessories	3- 6 years
Office equipment	5 years

Freehold land is measured at cost and is not depreciated.

Property, plant and equipment costing up to Rs. 5,000 each are fully depreciated in the year of purchase.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised 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 income statement when the asset is derecognised.

Capital work-in-progress are assets which are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

III. Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (amortisation and useful lives)

All finite-lived intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Intangible Assets	Useful life (in years)
Software	3-5 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

IV. Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

To determine value-in-use, management estimates expected future cash flows from each cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

V. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use. Borrowing costs consist of interest calculated using the effective interest method that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

VI. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition. The basis of determination of cost is as follows:

- Raw materials and stores and spares include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- Work-in-progress valued at cost of input valued at moving weighted average basis plus overheads up till the stage of completion
- Finished goods are valued at cost of input valued at moving weighted average basis plus appropriate overheads.
- Traded goods include purchase cost and other overheads incurred to bring the goods to their present location.
- By-products are valued at estimated realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow-moving inventory is made based on management's best estimates of net realisable value of such inventories.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

VII. Foreign currency translations

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) and are rounded to two decimal places of lakhs, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items as at reporting date are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

VIII. Leases

For any new contracts entered on or after 1st April 2019, the company considers 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.

Where the Company is the lessee

The Company's lease asset classes primarily consist of leases for land, buildings and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

iii. the Company has the right to direct the use of the asset.

The Company at the commencement of the lease contract recognizes a right-of-use asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, if any. The right-of-use asset are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

IX. 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. The fair value measurement is based on the presumption 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 or the most advantageous market must be accessible by 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.

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 results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

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 the fair value hierarchy as explained above.

X. Revenue Recognition

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Sale of products (including scrap sales and service income):

Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Income in respect of service contracts are recognised in Statement of Profit and Loss on completion of performance obligation.

Revenue is measured at fair value of consideration received or receivables and are accounted for net of returns, rebates and trade discount. Sales, as disclosed, are exclusive of goods and services tax.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year. Sales, as disclosed, are exclusive of goods and services tax.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Profit/ (Loss) from partnership firms:

Profit/ (Loss) from partnership firms which are in the same line of operation is considered as operating Income. The share of profit/ (loss) in partnership firm is recognised as income in the Statement of Profit and Loss as and when the right to receive the profit/ (loss) share is established.

Job Work Income:

Revenue from job work services is recognised based on the services rendered in accordance with the terms of contracts.

Dividend income:

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Export Incentive:

Income from export incentives such as duty drawback are recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

XI. Financial Instruments

Initial measurement

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

a. Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

b. Financial assets at fair value

- Derivative assets - All derivative assets are measured at fair value through profit and loss (FVTPL).
- Investments in equity instruments (other than subsidiaries/ associates/ joint ventures) – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss account.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the Statement of Profit and Loss.

All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

XII. Hedge accounting

The Company designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

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Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

XIII. Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on company's historical collection experience for customers and forecast of macro-economic factors.

The Company defines default as an event when the financial asset is past due for more than 180 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

The Company writes off trade receivables when there is no objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Company.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

XIV. Investment in subsidiaries and associates

In accordance with Ind AS 27 – Separate Financial Statements, investments in equity instruments of subsidiaries and associates can be measured at cost or at fair value in accordance with Ind AS 109. The Company has opted to measure such investments at cost at initial recognition.

Subsequently, such investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

XV. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year 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 of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

XVI. Post-employment, long term and short-term employee benefits

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

Defined Contribution plan

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Defined benefit plan

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses are recognized in the other comprehensive income for the period in which they occur and are not reclassified to profit or loss.

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Short term employee benefit

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

XVII. Share based payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered, under "Gravita ESOP 2011 scheme" and "Gravita Stock Appreciation Rights Scheme 2017".

Equity settled share-based payment

Under the equity settled share-based payment, the fair value of options granted is recognized as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

Cash settled share-based payment

The Company has formed "Gravita Employee Welfare Trust" for administration of Stock Appreciation Rights Scheme 2017. The Trust buy Shares of the Company from the market, from granting them to its employees. The trust has its own separate legal entity and is treated as a subsidiary of the company. Share bought by the trust of the company from the market are treated as investment in the standalone financial statement of the Trust.

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For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses'with a corresponding increase in Liabilities, over the period of non-market vesting conditions getting fulfilled. The Liability is remeasured at each reporting period up to, and including the settlment date, with changes in fair value recognised benefits expenses.

XVIII. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

XIX. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

XX. Taxes

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 appropriate.

Deferred tax

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised 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 items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax ('MAT') credit is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Company will pay normal income tax during the specified period.

XXI. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

XXII. Dividend payment

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the Board of directors.

XXIII. Government grants

Income includes export and other recurring and non-recurring incentives from Government (referred as "incentives'). Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. The Company is entitled to subsidies from government in respect of manufacturing units located in specified regions.

Government grants are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. These are recognised in the Statement of Profit and Loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received. Government grant in form of subsidy for unit at Chittoor, Andhra Pradesh is awarded as incentive to the Company, and is recognised as income in the period in which the grant is accrued.

XXIV. Use of estimates and judgement

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognised in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. **Useful lives of depreciable/ amortisable assets:** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

b. **Evaluation of indicators for impairment of assets:** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c. **Recognition of Deferred tax assets and Minimum Alternate Tax assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

d. **Allowance for expected credit loss:** The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Company has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

e. **Allowance for obsolete and slow-moving inventory:** The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

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f. Contingent liabilities: The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

g. Provisions: At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

h. Leases: Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

i. Income Taxes: The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions (refer note 33). The extent to which deferred tax assets/minimum alternate tax credit can be recognized is based on management's assessment of the probability of the future taxable income against which the deferred tax assets/minimum alternate tax credit can be utilized.

j. Defined benefit obligations (DBO): Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

XXV. Recent accounting pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of Benami property held etc.

Statement of Profit and Loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(Amounts in ₹ lacs)

2. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and machinery	Office equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Gross carrying amount								
As at April 1, 2019	**883.56**	**5,254.97**	**4,289.83**	**545.92**	**112.41**	**167.46**	**690.94**	**11,945.09**
Additions during the year	-	503.91	469.61	25.22	2.10	47.64	-	1,048.48
Disposals/ adjustments	-	-	(33.06)	(1.03)	(1.17)	(0.45)	(45.83)	(81.54)
As at March 31, 2020	**883.56**	**5,758.88**	**4,726.38**	**570.11**	**113.34**	**214.65**	**645.11**	**12,912.03**
Additions during the year	-	132.09	318.00	24.31	14.40	0.10	375.52	864.42
Disposals/ adjustments	-	(33.98)	(418.74)	(7.15)	(3.48)	(0.98)	(20.61)	(484.94)
As at March 31, 2021	**883.56**	**5,856.99**	**4,625.64**	**587.27**	**124.26**	**213.77**	**1,000.02**	**13,291.51**
Accumulated depreciation								
As at April 1, 2019	**-**	**310.86**	**607.49**	**108.05**	**71.48**	**23.82**	**202.93**	**1,324.63**
Charge for the year	-	199.37	325.20	70.15	21.20	20.26	86.88	723.06
Disposals/ adjustments	-	-	(5.09)	(0.44)	(0.77)	(0.09)	(19.48)	(25.87)
As at March 31, 2020	**-**	**510.23**	**927.60**	**177.76**	**91.91**	**43.99**	**270.33**	**2,021.82**
Charge for the year	-	205.88	334.04	71.74	11.36	21.13	85.28	729.43
Disposals/ adjustments	-	(4.82)	(190.65)	(4.27)	(3.12)	(0.83)	(11.06)	(214.75)
As at March 31, 2021	**-**	**711.29**	**1,070.99**	**245.23**	**100.15**	**64.29**	**344.55**	**2,536.50**
Net carrying value								
As at March 31, 2020	**883.56**	**5,248.65**	**3,798.78**	**392.35**	**21.43**	**170.66**	**374.78**	**10,890.21**
As at March 31, 2021	**883.56**	**5,145.70**	**3,554.65**	**342.04**	**24.11**	**149.48**	**655.47**	**10,755.01**

(i) Above mentioned assets are mortgaged as security with banks/ financial institutions. Refer note 16 for details.

(ii) Refer note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3. Capital work-in-progress

Particulars	Balance as at April 1, 2019	Addition during the year	Capitalisation during the year	Balance as at March 31, 2020	Addition during the year	Capitalisation during the year	Balance as at March 31, 2021
Capital work-in-progress	943.19	100.56	(762.29)	281.46	386.38	(202.28)	**465.56**

(i) Above mentioned assets are mortgaged as security with banks/ financial institutions. Refer note 16 for details.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

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(Amounts in ₹ lacs)

4. Right-of-use assets

Particulars	Land	Buildings	Plant and machinery	Total
Gross carrying amount				
As at April 1, 2019	-	-	-	-
Additions during the year	682.50	34.94	181.54	898.98
Disposals/ adjustments	-	-	-	-
As at March 31, 2020	**682.50**	**34.94**	**181.54**	**898.98**
Additions during the year	-	40.52	-	40.52
Disposals/ adjustments	-	-	-	-
As at March 31, 2021	**682.50**	**75.46**	**181.54**	**939.50**
Accumulated depreciation				
As at April 1, 2019	**-**	**-**	**-**	**-**
Charge for the year	26.15	19.70	54.45	100.30
Disposals/ adjustments	-	-	-	-
As at March 31, 2020	**26.15**	**19.70**	**54.45**	**100.30**
Charge for the year	28.76	17.63	54.45	100.84
Disposals/ adjustments	**-**	**-**	**-**	**-**
As at March 31, 2021	**54.91**	**37.33**	**108.90**	**201.14**
Net carrying value				
As at March 31, 2020	**656.35**	**15.24**	**127.09**	**798.68**
As at March 31, 2021	**627.59**	**38.13**	**72.64**	**738.36**

(i) Refer note 16 for details of leasehold land situated at Plot No. PA-011-006, Mahindra Sez, Village Kalwara, Tehsil Sanganer Distt-Jaipur, mortgaged as security with banks/ financial institutions.

5. Other intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2019	**198.44**	**198.44**
Additions during the year	-	-
Disposals/ adjustments	-	-
As at March 31, 2020	**198.44**	**198.44**
Additions during the year	9.50	9.50
Disposals/ adjustments	(6.47)	(6.47)
As at March 31, 2021	**201.47**	**201.47**
Accumulated amortisation		
As at April 1, 2019	**105.50**	**105.50**
Charge for the year	37.33	37.33
Disposals/ adjustments	-	-
As at March 31, 2020	**142.83**	**142.83**
Charge for the year	26.36	26.36
Disposals/ adjustments	**(6.27)**	**(6.27)**
As at March 31, 2021	**162.92**	**162.92**
Net carrying value		
As at March 31, 2020	**55.61**	**55.61**
As at March 31, 2021	**38.55**	**38.55**

(Amounts in ₹ lacs)

6. Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
I. Non-current investments				
Investment in equity instruments, carried at cost				
Investment in subsidiaries (unquoted) (fully paid shares)				
Gravita Infotech Limited Shares of face value of Rs. 10 each (previous year: Rs. 10 each)	2,00,000	26.09	2,00,000	26.09
Gravita Ghana Limited(iii) Shares of face value of GHS 1 each (previous year: GHS 1 each)	3,14,363	123.66	3,14,363	123.66
Gravita Global Pte Limited Shares of face value of USD 1 each (previous year: USD 1 each)	13,45,000	728.60	13,45,000	728.60
Noble Build Estate Private Limited Shares of face value of Rs. 10 each (previous year: Rs. 10 each)	19,990	74.96	19,990	74.96
Total (a)		**953.31**		**953.31**
Investment in partnership firms (unquoted) (iv)				
M/s Gravita Metal Inc		95.00		95.00
M/s Gravita Infotech		0.98		0.98
Total (b)		**95.98**		**95.98**
Investment in limited liability partnership (LLP) (unquoted)				
M/s Recycling Infotech LLP		1.02		1.02
Total (c)		**1.02**		**1.02**
Investment in government securities (unquoted) (carried at amortised cost)				
National saving certificate		0.03		0.03
Total (d)		**0.03**		**0.03**
Total non-current investments (e) = (a + b + c + d)		**1,050.34**		**1,050.34**
Less: Provision for impairment (other than temporary)(iii)		(42.00)		
Total Provision (f)		**(42.00)**		
Total non-current investments (g) = (e + f)		**1,008.34**		**1,050.34**
II. Current investments, carried at cost				
Investment in partnership firms (unquoted)(ii)				
M/s Gravita Metal Inc		-		438.82
M/s Gravita Infotech		5.42		5.86
Total current investments (h)		**5.42**		**444.68**
Aggregate amount of unquoted investments		1,055.76		1,495.02
Aggregate amount of impairment in value of investments		(42.00)		-

(i) Refer note 40 and 41 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

(ii) As current capital account is covered by partnership deed, the closing receivable balance in current capital account has been disclosed as current investments and closing payable balance in current capital account has been disclosed as other current financial liabilities.

(iii) Provision for impairment (other than temporary) is on equity investment in wholly owned subsidiary i.e. Gravita Ghana Limited.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(iv) Other details relating to Investment in partnership firms

Particulars	As at March 31, 2021		As at March 31, 2020	
	% share in profits/ loss	Amount of Investment in capital	% share in profits/ loss	Amount of Investment in capital
Investment in M/s Gravita Metal Inc				
Gravita India Limited	95.00%	95.00	95.00%	95.00
Gravita Infotech Limited	5.00%	5.00	5.00%	5.00
Total	**100.00%**	**100.00**	**100.00%**	**100.00**
Investment in M/s Gravita Infotech				
Gravita India Limited	49.00%	0.98	49.00%	0.98
Gravita Infotech Limited	51.00%	1.02	51.00%	1.02
Total	**100.00%**	**2.00**	**100.00%**	**2.00**

7. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current (unsecured)		
Security deposits (considered good)	242.19	156.88
Loans receivable (refer note 34 and 45)	-	-
- Considered good	1,285.88	696.35
- Credit impaired	-	181.57
Less: Loss allowance	-	(181.57)
Total	**1,528.07**	**853.23**
Current (unsecured)		
Security deposits (considered good)	13.85	27.79
Total	**13.85**	**27.79**

(i) Refer note 16 for hypothecation as securities with bank/financial institutions on current loans.

(ii) Refer note 40 and 41 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

8. Others financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deposits with bank (with remaining maturity more than 12 months) (i)	2.20	2.01
Total	**2.20**	**2.01**
Current		
Derivatives designated at fair value through profit or loss		
- For forward contracts(ii)	475.89	1,263.72
Receivable for sale of investment (refer note 32)	-	175.75
Other contractual receivables from related parties (refer note 45)	82.81	328.11
Other recoverable	92.68	39.80
Total	**651.38**	**1,807.38**

(i) Represent lien with banks and financial institution and are restricted from being exchanged or used to settle a liability.

(Amounts in ₹ lacs)

(ii) Details of balance against derivative contracts

Particulars	As at March 31, 2021	As at March 31, 2020
Margin money	74.40	1,870.25
Effect of marked to market on open contracts	401.49	(606.53)
Total	**475.89**	**1,263.72**

(iii) Above mentioned Other current financial assets have been hypothecated as securities with banks/ financial institutions, refer note 16 for details.

(iv) Refer note 40 and 41 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

9. Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current (unsecured, considered good)		
Capital advances	322.53	6.00
Prepaid expenses	8.01	21.58
Balance with government authorities	96.10	72.21
Total	**426.64**	**99.79**
Current (unsecured, considered good)		
Advances to related parties (refer note 45)	2,568.46	2,486.91
Advances to vendors	4,108.68	3,624.75
Advances to employees	15.34	32.03
Prepaid expenses	93.52	76.75
Corporate guarantee receivable	-	7.55
Balance with government authorities	3,019.37	3,503.65
Total	**9,805.37**	**9,731.65**

(i) Above mentioned Other current assets have been hypothecated as securities with banks/ financial institutions, refer note 16 for details.

10. Inventories

(At lower of cost and net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	7,579.38	3,862.44
Raw materials - goods-in-transit	4,390.19	5,798.83
Work-in-progress	6,794.75	2,497.27
Finished goods (other than those acquired for trading)	2,617.55	2,132.32
Finished goods - goods-in-transit	3,542.11	461.72
Traded goods	39.82	22.95
Stores and spares	683.24	379.66
Consumables	327.20	253.39
Total	**25,974.24**	**15,408.58**

(i) Above mentioned inventories have been hypothecated as securities with banks/ financial institutions, refer note 16 for details.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

11. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Trade receivables - considered good	6,529.16	5,922.96
Trade receivables - credit impaired	223.94	373.16
Less: allowance for expected credit losses	(223.94)	(373.16)
Total	**6,529.16**	**5,922.96**

(i) Above mentioned trade receivables have been hypothecated as securities with banks/ financial institutions, refer note 16 for details. Also refer note 45 for related parties details.

(ii) Refer note 40 for disclosure of fair values in respect of financial assets measured at amortised cost.

(iii) Refer note 41 for details of expected credit loss for trade receivables under simplified approach.

12. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	11.53	68.23
Cash on hand	6.99	16.31
Cheques on hand	130.16	-
Total	**148.68**	**84.54**

(i) Refer note 16 for hypothecation as securities with bank/financial institution on cash and cash equivalent

13. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks in current accounts		
- Unclaimed dividend account (i)	6.14	6.48
Balance held as margin money against borrowings (with original maturity more than 3 months but remaining maturity less than 12 months) (ii)	586.95	633.62
Total	**593.09**	**640.10**

(i) These balances are not available for use by the Company and corresponding balance is disclosed as unclaimed dividend in note 22.

(ii) Includes interest accrued but not due.

(iii) Refer note 16 for hypothecation as securities with bank/financial institutions on Bank balances other than cash and cash equivalents.

14. Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 2 each	7,50,00,000	1,500.00	7,50,00,000	1,500.00
	7,50,00,000	**1,500.00**	**7,50,00,000**	**1,500.00**
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	6,90,37,914	1,380.76	6,90,37,914	1,380.76
Total	**6,90,37,914**	**1,380.76**	**6,90,37,914**	**1,380.76**

(Amounts in ₹ lacs)

(a) Changes in equity share capital during the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares with voting rights				
Balance as at the beginning of the year	6,90,37,914	1,380.76	6,87,46,714	1,374.93
Add: shares issued during the year (ESOP)	-	-	**2,91,200**	**5.83**
Closing at the end of the year	**6,90,37,914**	**1,380.76**	**6,90,37,914**	**1,380.76**

(b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a face value of Rs. 2 per share. Each equity shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian Rupees. The final dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholder holding more than 5 percent shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
Mr. Rajat Agrawal	3,30,49,265	47.87	3,27,12,264	47.38
Agrawal Family Private Trust	1,73,48,025	25.13	1,73,48,025	25.13

(d) During the five years immediately preceding March 31, 2021, the Company has neither allotted any bonus shares nor have any shares been bought back.

(e) No shares has been issued for consideration other than cash in the current reporting year and in last five years immediately preceding the current reporting year.

(f) Dividend

The Board of Directors, in its meeting held on January 28, 2021, have recommended an interim dividend of Rs 1.10 per equity share of Rs. 2 each amounting to Rs. 759.42 lacs for the financial year ended March 31, 2021, which was transferred to a separate bank account on February 1, 2021.

15. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium	4,270.07	4,270.07
General reserve	517.90	517.90
Retained earnings	12,752.34	10,298.65
Cash flow hedging reserve	(19.20)	(52.21)
Total	**17,521.11**	**15,034.41**

Description of nature and purpose of each reserve

Security premium

The security premium is the amount paid by shareholder over and above the face value of equity share. Security premium can be utilised as per the provisions of the Companies Act, 2013.

General reserve

The general reserve is created on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Retained earnings

Retained earnings represents surplus in Statement of Profit and Loss.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

16. Borrowings[A]

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrowings		
Secured		
Term loans		
- from bank	4,090.20	2,975.30
- from institutions other than banks	2,490.58	1,271.73
Vehicle loans	311.08	68.25
Less: Loan processing fees	(63.32)	(71.42)
	6,828.54	**4,243.86**
Less: Current maturities disclosed under other financial liabilities (refer note 22)	(2,480.62)	(1,243.84)
Total	**4,347.92**	**3,000.02**
Current borrowings		
Secured loans - from banks		
Cash credit	483.75	9,200.80
Packing credit	8,135.81	2,110.71
Buyers credit	2,223.98	1,480.20
Suppliers credit	150.55	-
Working capital demand loan	2,998.43	5,631.45
Total	**13,992.52**	**18,423.16**

A. There is no default in repayment of principal or payment of interest thereon.

B. Repayment terms and security disclosure for the outstanding non-current borrowings (including current maturities) are as follows:

i. Vehicle loans

a. Vehicle loan from banks of Rs. 311.08 lacs (March 31, 2020: Rs. 68.25 lacs) carry interest ranging from 7.55% p.a. to 9.90% p.a. (Previous year: 8.40% p.a. to 9.90% p.a.) The loans are secured by way of hypothecation of vehicles and repayable in equal monthly installments over a period of 31 to 84 months.

ii. Term loans from bank

a. Corporate loan-I of Rs. Nil (March 31, 2020 Rs. 119.13 lacs) with currency swing option @ 6 months @ LIBOR +3.25% p.a. (Previous year: LIBOR +3.25% p.a.) on fully hedged basis. The loan is repaid in full and was secured by way of following:

(a) First parri-passu charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc. and book debts (both present and future).

(b) Second charge over the entire fixed assets of the Company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-2) excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of Survey no. 233/15 to 233/30, Tiruthani Road, Ananthapuram-panchayat, Narasingharayani Pettah - Post Chittoor, Andhra Pradesh, Chittoor plant.

(Amounts in ₹ lacs)

b. Corporate loan II of Rs. Nil (March 31, 2020: Rs. 83.72 lacs) with currency swing option @ 6 months @ LIBOR +3.25% p.a. (Previous year: LIBOR +3.25% p.a.) on fully hedged basis. The loan is repaid in full and was secured by way of following:

   (a) First pari-passu over the entire fixed assets of the Company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-2) excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of asset situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh Chittoor plant.

   (b) First pari-passu charge by way of equitable mortgage of flat no. 203, on first floor in Rajputana Tower situated at plot no , A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.

   (c) First pari-passu charge by way of equitable mortgage of land and house HIG, SFS Block 3, plot no 90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (Related Party).

   (d) Second charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc. and book debts (both present and future).

c. PNB Term Loan of Rs. 41.05 lacs (March 31, 2020: Rs. 789.71 lacs) @ 9.45% p.a. to 10.30% p.a. (Previous year: 9.45% p.a.). The loan is repayable in 22 quarterly installments commencing from October 2017 and ending in January 2023. The loan is secured by way of following:

   (a) First pari-passu charge on the entire block assets present and future of the Chittoor project.

   (b) Second pari-passu charge on following Immovable Properties: Land and Building at Jaychand Ka Bas Harsulia Mod Diggi Malpura Road, Phagi, Jaipur Kasara no. 209/1/5/3, 209/1/4/1, 209/1/5/1 and 209/1/5/2. Flat no. 203, 302, 401 and 403 located in Rajputana Tower situated at plot no. A-27-B, Tilak Nagar, Shanti Path, Jaipur.

   (c) Residential Land & H No. 3/90, Mansarovar, Jaipur.

   (d) Personal guarantee of Managing Director Mr. Rajat Agrawal.

   (e) Corporate guarantee of M/s Gravita Impex Private Limited (Related Party).

d. Bandhan Bank Term Loan of Rs. 732.05 lacs (March 31, 2020: Rs. 982.74 lacs) @ 10.50% p.a. (Previous year: 10.50% p.a.). The loan is repayable in 48 monthly installments commencing from March 2020 and ending in February 2024. The loan is secured by way of following:

   (a) First Pari-passu charge by way of Hypothecation over moveable fixed assets of Borrower at Chittoor Plant situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

   (b) First Pari-passu charge by way of mortgage over moveable industrial property in the name of Company situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

   (c) Personal guarantee of Managing Director Mr. Rajat Agrawal.

e. Bandhan Bank Term Loan of Rs. 770.85 lacs (March 31, 2020: Rs. 1,000.00 lacs) @ 10.50% p.a. (Previous year: 10.50% p.a.). The loan is repayable in 48 monthly installments commencing from May 2020 and ending in March 2024. The loan is secured by way of following:

   (a) First Pari-passu charge by way of Hypothecation over moveable fixed assets of Borrower at Chittoor Plant situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

   (b) First Pari-passu charge by way of mortgage over moveable industrial property in the name of Company situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

   (c) Personal guarantee of Managing Director Mr. Rajat Agrawal

f. Covid Loan of Rs. 1,654.21 lacs (March 31, 2020: Rs Nil) @ 6.90% p.a. to 8.00% p.a. The loan is for 24 months with 6 month moratorium and repayable in 18 monthly installments commencing from January 2021. The loan will be secured over the all exiting primary and collateral security (mentioned in note 16(III) below) held with consortium of bankers.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

g. PNB GECL Loan of Rs. 892.04 lacs (March 31, 2020: Rs Nil) @ 8.35% p.a. The loan is for 60 months with 12 months moratorium and repayable in 48 monthly installments commencing from January 2022 and ending in January 2026. The loan granted under GECL shall rank second charge with the existing credit facilities in terms of cash flows (including repayments) and security, with charge on the assets financed under the scheme to be created on or before June 30, 2021 or date of NPA, whichever is earlier.

iii. Term loans from institutions other than banks

a. TATA Term Loan of Rs. 947.25 lacs (March 31, 2020: Rs. 551.73 lacs) @ 10.50% p.a. (Previous year: 10.50% p.a.). The loan is repayable in 60 monthly installments commencing from February 2020 and ending in December 2025. The loan is secured by way of following:

(a) First Pari-passu charge shared by ICICI Bank by way of Hypothecation over moveable fixed assets of Borrower and at Plot No. PA-011-006, Mahindra Sez, Village Kalwara, Tehsil Sanganer Distt-Jaipur.

(b) First Pari passu Charge shared by ICICI Bank by way of mortgage over industrial property situated at Plot No. PA-011-006, Mahindra Sez, Village Kalwara, Tehsil Sanganer Distt-Jaipur.

(c) Personal guarantee of Managing Director Mr. Rajat Agrawal."

b. Bajaj Term Loan of Rs. 560.00 lacs (March 31, 2020: Rs. 720.00 lacs) @ 10% p.a. to 10.15% p.a. (Previous year: 10% p.a.). The loan is repayable in 60 monthly installments commencing from October 2019 and ending in September 2024. The loan is secured by way of personal guarantee of Managing Director Mr. Rajat Agrawal

The loan will be further secured by way of following:

(a) First Pari passu charge over movable fixed assets of the company (both present and future) excluding the assets situated at Chittor and SEZ unit.

(b) First Pari passu charge over entire current assets of the company.

(c) First pari-passu charge over land and building of the company situated at Phagi Jaipur.

(d) First pari-passu charge by way of mortgage over Flat No. 302, 403, 401 in Rajputana Tower situated at plot no. A27B, Shanti Path, Tilak Nagar Jaipur in the name of the Company.

(e) First pari-passu charge by way of mortgage over Flat No. 203 in Rajputana Tower situated at plot no. A27B, Shanti Path, Tilak Nagar Jaipur in the name of Mr. Rajat Agrawal.

(f) First pari-passu charge by way of mortgage over land & house HIG, SFS block 3, plot 90, Mansarovar, Jaipur of Gravita Impex Private Limited

(g) Corporate guarantee of M/s Gravita Impex Private Limited (only for Term Loan and PBD Limits).

c. Bajaj Term Loan of Rs. 983.33 lacs (March 31, 2020: Rs. Nil) @ 9.00% p.a. The loan is repayable in 60 monthly installments commencing from March 2021 and ending in February 2026. The loan will be secured by way of following:

(a) First pari-passu charge on the entire block of fixed assets present and future of the Chittoor plant.

(b) Personal guarantee of Managing Director Mr. Rajat Agrawal.

C. Security disclosure for the outstanding current borrowings are as follows:

i. Loans from banks are secured by way of:

(a) First pari-passu charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc and book debts (both present and future).

(b) First pari-passu charge on the entire fixed assets of the Company both present and future, excluding vehicles and entire assets situated at Plot No. P.A. 011-006, Light Engineering Zone, Mahindra World City - SEZ, Jaipur and assets of Survey no. 233/15 to 233/30, Tiruthani Road, Ananthapuram-panchayat, Narasingharayani Pettah - Post Chittoor, Andhra Pradesh, but including the following:

(i) Flat no. 302, 401, 403 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur.

(ii) Land and building at Jai Chand ka Bas, Diggi Malpura Road, Phagi, Jaipur.

(c) First pari-passu charge on the following other assets:

(i) Land and house at 3/90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (related party).

(Amounts in ₹ lacs)

(ii) Flat no. 203 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.

(d) Personal guarantee of Managing Director Mr. Rajat Agrawal.

(e) Corporate guarantee of M/s Gravita Impex Private Limited (related party).

(f) Second pari passu charge on the fixed assets of Chittoor Plant.

D. Collateral:

Inventory, trade receivables, other current assets, other current financial assets, property, plant and equipment, capital work-in-progress with a net carrying amount of Rs. 55,382 lacs and Rs. 45,686 lacs are given as collateral/ security against the borrowings as at March 31, 2021 and March 31, 2020, respectively.

E. Refer note 40 and 41 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

17. Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current	255.26	260.87
Current	78.67	114.97
Total	**333.93**	**375.84**

i. Disclosures on lease pursuant to Ind AS 116 - Leases

The Company has leases for the factory lands, office premises, equipment, etc. Also, the Company has a leasehold land at Jaipur which has been taken on a lease for a period of 92 years in the year 2013.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases contain an option to extend the lease for a further term after mutual consent of both the parties. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of Right-of-use assets leased	Range of remaining term (in years)	Number of leases with extension options	Number of leases with termination options
Land	2	7.86 - 84.44	-	-
Plant and machinery	11	0.92 - 2.42	-	-
Building	4	0.25 - 4.76	-	-

ii. The following are amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation expense of right-of-use assets	100.84	100.30
Interest expense on lease liabilities	38.60	40.44

iii. Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the Financial statement. The expense relating to payments not included in the measurement of the lease liability for short term leases is Rs. 141.51 lacs (Previous year: Rs. 115.68 lacs).

Total cash outflow for leases for the year ended March 31, 2021 was Rs. 262.53 lacs (Previous year: Rs. 235.18 lacs).

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

iv. Maturities of lease liabilities

The lease liabiltiies are secured by the related underlying assets. Future minimum lease payments were as follows:

Particulars	Lease payments	Interest expense	Net present values
March 31, 2021			
Not later than 1 year	109.69	29.80	79.89
Later than 1 year but not later than 5 years	214.90	72.19	142.71
Later than 5 years	128.69	17.36	111.33
Total	**453.28**	**119.35**	**333.93**
March 31, 2020			
Not later than 1 year	114.97	34.33	80.64
Later than 1 year but not later than 5 years	237.52	80.21	157.31
Later than 5 years	170.08	32.19	137.89
Total	**522.57**	**146.73**	**375.84**

v. Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost.

18. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current provisions for (refer note 43)		
- Gratuity	283.59	246.87
- Compensated absences	73.16	74.86
Total	**356.75**	**321.73**
Current provisions for (refer note 43)		
- Gratuity	38.62	35.23
- Compensated absences	4.18	4.70
Total	**42.80**	**39.93**

19. Deferred tax liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liability arising on account of:		
Property, plant and equipment and other intangible assets	788.29	820.59
Other temporary differences	21.88	24.76
Gross deferred tax liabilities	**810.17**	**845.35**
Deferred tax asset arising on account of:		
Provision for employee benefits and other liabilities deductible on actual payment	133.85	147.22
Allowances for expected credit losses	78.25	193.84
Right-of-use assets and lease liabilities	13.54	8.93
Cash flow hedging reserve	10.30	28.03
Gross deferred tax assets	**235.94**	**378.02**
Minimum alternate tax (MAT) credit entitlement	**406.20**	**406.20**
Deferred tax liabilities (net)	**168.03**	**61.13**

(i) The Company has tax losses amounting to Rs. 381.86 lacs (March 31, 2020: Rs. 381.86 lacs), related to FY 2019-20, on which no deferred tax asset has been recognised considering there is no probability which demonstrates realisation of deferred tax asset in the near future.

(Amounts in ₹ lacs)

(ii) Deferred tax movements

Particulars	Opening balance	(Charge)/ credit in Statement of Profit and loss	(Charge)/ credit in other comprehensive income	Closing balance
For the year ended March 31, 2021				
Property, plant and equipment and other intangible assets	(820.59)	32.30	-	(788.29)
Provision for employee benefits and other liabilities deductible on actual payment	147.22	(14.70)	1.33	133.85
Allowances for expected credit losses	193.84	(115.59)	-	78.25
Right-of-use assets and lease liabilities	8.93	4.61	-	13.54
Cash flow hedging reserve	28.03	-	(17.73)	10.30
MAT credit entitlement	406.20	-	-	406.20
Other temporary differences	(24.76)	2.88	-	(21.88)
Total	**(61.13)**	**(90.50)**	**(16.40)**	**(168.03)**
For the year ended March 31, 2020				
Property, plant and equipment and other intangible assets	(721.43)	(99.16)	-	(820.59)
Provision for employee benefits and other liabilities deductible on actual payment	122.75	23.19	1.28	147.22
Allowances for expected credit losses	75.01	118.83	-	193.84
Right-of-use assets and lease liabilities	-	8.93	-	8.93
Cash flow hedging reserve	(0.26)	-	28.29	28.03
MAT credit entitlement	406.20	-	-	406.20
Other temporary differences	(8.33)	(16.43)	-	(24.76)
Total	**(126.06)**	**35.36**	**29.57**	**(61.13)**

(iii) There are unused minimum alternate tax credits as mentioned below which have not been recognized as an asset in the books of accounts in the absence of convincing evidence of utilization during the specified allowable period against the future taxable profits to be computed as per the normal provisions of the Income-tax Act, 1961:

Assessment year (AY) to which MAT credit pertains	Expiry date	March 31, 2021	March 31, 2020
2019-20	2034-35	395.19	395.19
2020-21	2035-36	549.62	549.62
2021-22	2036-37	340.32	-
		1,285.13	**944.81**

20. Other liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred government grants[(ii)] [refer note 23(ii)]	17.59	20.22
Total	17.59	20.22
Current		
Advance received from customers	739.59	90.37
Deferred government grants[(ii)] [refer note 23(ii)]	1.75	1.76
Statutory dues payable	119.49	69.10
Other payables	7.21	7.20
Total	**868.04**	**168.43**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(i) includes contribution to Provident Fund and ESI, Withholding Taxes, Goods and Services Tax and Professional Tax.

(ii) Movement of deferred government grants

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	21.98	22.86
Released during the year	(2.64)	(0.88)
Received during the year	-	-
At the end of the year	**19.34**	**21.98**

21. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises(i)	25.40	138.24
Total outstanding dues of creditors other than micro and small enterprises(ii)	15,447.00	7,745.27
Total	**15,472.40**	**7,883.51**

(i) On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED Act, 2006') at the year end are mentioned below. The same has been relied upon by the auditors.

	Particulars	As at March 31, 2021	As at March 31, 2020
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year	25.40	138.24
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.18	2.29
iii	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iv	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
v	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.18	2.29
vi	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

(ii) includes acceptances/ arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions, while the Company continues to recognise the liability till settlement with the banks/ financial institutions.

(iii) Refer note 40 and 41 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

(Amounts in ₹ lacs)

22. Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current borrowings (refer note 16)	2,480.62	1,243.84
Interest accrued but not due on borrowings	35.56	23.17
Unclaimed dividends (i)	6.15	6.48
Corporate guarantee obligation	19.43	24.61
Contractual payable to related parties	30.08	34.77
Current balance in partnership firm/ limited liability partnership	1,427.87	1.64
Creditors for capital goods	3.33	16.41
Others	4.27	3.17
Total	**4,007.31**	**1,354.09**

(i) As at March 31, 2021, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

(ii) Refer note 40 and 41 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

23. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating revenue[(i)]		
Sale of products		
Manufactured/ Recycled goods	1,06,561.23	1,02,853.76
Traded goods	16,323.85	12,588.28
Sale of services	16.99	27.62
Other operating revenue		
Export incentives	110.50	120.91
Government grant[(ii)]	-	1,569.28
Share of (loss)/ profit from partnership firms (net)	(483.34)	13.19
Job work income	24.37	12.99
Scrap sales	88.01	53.15
Total	**1,22,641.61**	**1,17,239.18**

i. Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

(a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2021 by product type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue by product type:		
Lead	1,11,133.27	1,03,135.62
Aluminium	6,150.88	8,024.34
Turnkey Projects	1,444.91	1,600.44
Plastics	4,118.81	2,479.11
Others	37.21	202.53
Revenue from sale of services	16.99	27.62
Total	**1,22,902.07**	**1,15,469.66**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue by geography:		
Domestic	62,955.79	61,012.89
Export	59,946.28	54,456.77
Total	**1,22,902.07**	**1,15,469.66**
Revenue by time:		
Revenue recognised at point in time	1,22,902.07	1,15,469.66
Total	**1,22,902.07**	**1,15,469.66**

(b) Trade receivables and contract balances

The Company present the right to consideration in exchange for sale of promised products/ service as Trade receivable in Financials. A receivable is a right to consideration that is unconditional upon passage of time. Trade receivable are presented net of impairment (if any) in the Balance Sheet. Further, impairment of bad and doubtful debts has been created based on expected credit loss method as prescribed in Ind AS 109. Refer note 41 for details of expected credit loss for trade receivables under simplified approach.

(c) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Movement in contract liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	**90.37**	**62.75**
Add: Addition during the year	4,915.33	5,774.80
Less: Revenue recognised during the year	4,266.11	5,747.18
Balance at the end of the year	**739.59**	**90.37**

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

Particulars	For the year ended March 31, 2021
Contract price	1,22,899.29
Less: discount, rebates, credits etc.	(2.78)
Revenue from operations as per Statement of Profit and Loss	1,22,902.07

ii. The Company's recycling facility at Chittoor, was eligible for incentives available under "Industrial Development Policy 2015-2020", notified by the Andhra Pradesh government. Under the scheme the Company had been granted "Small Industry" status and was eligible for incentives like, power cost reimbursement, interest reimbursement, refund of sales tax/State Goods and services tax paid in cash, etc. Based on such policy, the Company had recognised the incentive computed based on SGST paid to Government of Andhra Pradesh. Further, in terms of the Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", eligible incentive as mentioned above amounting to Rs. Nil (Previous year: Rs. 1,569.28 lacs) for year ended March 31, 2021 is credited to Statement of Profit and Loss and included under the head "Other operating revenue" on accrual basis. Further, the Company was also entitled for capital grant of Rs. 26.38 lacs out of which Rs. 2.64 lacs (Previous year: Rs. 0.88 lacs) has been recognised as Amortisation of government grant under the head "Other income" and balance amount of Rs. 19.34 lacs (March 31, 2020: Rs. 21.98 lacs) has been recognised as Deferred government grants under head "Other current liabilities".

(Amounts in ₹ lacs)

24. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income from:		
Bank deposits	29.73	36.88
Others	108.24	61.15
Other non-operating income		
Liabilities/ excess provisions no longer required written back	283.24	22.32
Corporate guarantee income	5.18	12.30
Miscellaneous income	8.44	2.88
Other gains		
Amortisation of government grant [refer note 23 (ii)]	2.64	0.88
Gain on foreign currency exchange fluctuation (net)	319.16	139.44
Derivatives measured at fair value through profit and loss		
Gain on foreign currency forward contracts	139.47	-
Gain on commodity forward contracts	329.92	-
Total	**1,226.02**	**275.85**

25. Cost of material consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials consumed	99,978.18	89,063.67
Total	**99,978.18**	**89,063.67**

26. Purchase of traded goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Re-melted/ refined lead ingots	14,043.13	8,167.10
Aluminium and others	1,642.15	3,945.31
Total	**15,685.28**	**12,112.41**

27. Changes in inventory of finished goods, work-in-progress and traded goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock		
Finished goods (i)	2,594.04	3,790.72
Work-in-progress	2,497.27	2,031.61
Traded goods	22.95	12.39
Less: Closing stock		
Finished goods (i)	6,159.66	2,594.04
Work-in-progress	6,794.75	2,497.27
Traded goods	39.82	22.95
Change in inventory of finished goods, work-in-progress and traded goods	**(7,879.97)**	**720.46**

(i) inclusive of goods-in-transit

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

28. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	4,287.12	3,883.11
Contribution to provident and other funds (refer note 43)	199.06	196.39
Staff welfare expenses	195.09	197.39
Total	**4,681.27**	**4,276.89**

29. Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest costs on		
- Borrowings	1,885.73	2,036.08
- Lease liabilities	38.60	40.44
- Others	41.08	0.63
Foreign exchange fluctuation to the extent regarded as an adjustment to borrowing costs	284.56	275.72
Other borrowing costs	161.46	114.25
Total	**2,411.43**	**2,467.12**

30. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	729.43	723.06
Amortisation of intangible assets	26.36	37.33
Depreciation of right-of-use assets	100.84	100.30
Total	**856.63**	**860.69**

31. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	756.10	710.44
Rates and taxes	52.09	39.97
Legal and professional fees	166.91	209.00
Repairs and maintenance		
- Plant and machinery	654.22	578.55
- Building	46.13	44.53
- Others	108.49	123.50
Freight and forwarding	946.61	705.02
Travelling and conveyance	81.22	288.00
Insurance	17.32	22.86
Rent (refer note 17)	141.51	115.68
Advertising and sales promotion	77.18	122.82
Donations	51.46	0.07
Payment to auditors[(i)]	40.26	37.33
Allowance for expected credit loss on financial assets (including write off)	145.51	378.77
Loss on sale/ discard of property, plant and equipment	262.99	1.18
Expenditure on corporate social responsibility[(ii)]	87.96	109.57

(Amounts in ₹ lacs)

31. Other expenses *(Contd.)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bank charges	161.33	205.99
Impairment of investment (other than temporary)	42.00	-
Contractual labour expenses	109.12	98.37
Derivatives measured at fair value through profit or loss		
- Loss on foreign currency forward contracts	-	24.79
- Loss on commodity forward contracts	-	800.48
Miscellaneous expenses	148.95	197.00
Total	4,097.36	4,813.92

(i) Payment to auditors (excluding taxes)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
- Audit fee	33.50	31.50
In other capacity		
- Certification and other matters	1.00	1.80
- Reimbursement of out of pocket expenses	5.76	4.03
Total	**40.26**	**37.33**

(ii) Details of corporate social responsibility expenditure

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company have constituted CSR Committee. The details for CSR activities are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount required to be spent by the Company	61.95	59.76
Amount spent during the year		
- Construction or acquisition of any asset	-	-
- On purposes other than above	87.96	109.57

(i) The Company does not carry any provisions for corporate social responsibility expenses for the current year and previous year.

(ii) The Company does not have any ongoing projects as at March 31, 2021.

(iii) The Company intends to carry forward the excess amount spent during the year. Refer details below:

Particulars	March 31, 2021
Opening balance at the beginning of the year	**-**
Amount required to be spent during the year	61.95
Amount spent during the year (excluding unspent amount of past years)	64.53
Closing balance at the end of the year	**2.58**

32. Exceptional items

The exceptional item amounting to Rs. Nil (Previous year: Rs. 381.86 lacs) for the year ended March 31, 2021 represents loss on sale of investment in subsidiary.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

33. Tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of current year	738.15	549.40
In respect of earlier year	(6.79)	60.83
	731.36	**610.23**
Deferred tax		
In respect of current year	90.50	(35.36)
	90.50	**(35.36)**
Income tax expense reported in the Standalone Statement of Profit and Loss	**821.86**	**574.87**
The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:		
Accounting profit before tax	4,037.45	2,818.01
Statutory income tax rate	34.94%	34.94%
Tax expense at statutory income tax rate	1,410.85	984.73
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Effect of income that is exempt from taxation (under section 80IA, 10(2A) and 10A of Income-tax Act, 1961)	(594.31)	(614.10)
Effect of expenses that are not deductible in determining taxable profit	30.90	171.87
Movement in tax provision relating to prior years	(6.79)	60.83
Impairment of investments	14.68	-
Deferred tax liabilities not recognised on temporary difference, which will reverse within the tax holiday period	(70.42)	(40.58)
Others	36.95	12.12
Income tax expense recognised in Statement of Profit and Loss	**821.86**	**574.87**

Deferred tax has not been created on incentive income/ receivable in Chittoor plant, considering the same will be realised within tax holiday period available under section 80IA of Income tax Act, 1961.

34. Disclosure as per Section 186(4) of the Companies Act, 2013

Particulars	March 31, 2021		March 31, 2020	
	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
Corporate guarantee given for related parties:				
- M/s Gravita Metal Inc [(i)]	748.54	900.00	891.64	900.00
- Gravita Netherlands B.V. [(i)]	1,306.84	3,150.00	1,827.86	3,150.00
Loan given to related parties:				
- Noble Build Estate Private Limited [(i) (ii)]	394.76	394.76	367.13	367.13
- Gravita Employee Welfare Trust [(ii) (iii) (iv)]	891.12	891.12	510.79	510.79
Investment in subsidiaries:				
- Gravita Infotech Limited [(i)]	26.09	26.09	26.09	26.09
- Gravita Ghana Limited [(i) (iii)]	123.66	123.66	123.66	123.66
- Gravita Global Pte Limited [(i)]	728.60	728.60	728.60	728.60
- Noble Build Estate Private Limited [(i)]	74.96	74.96	74.96	74.96
Investment in partnership firm/ LLP: *(Fixed and current)*				
- M/s Gravita Metal Inc [(i)]	(1,331.26)	1,953.65	533.82	533.82
- M/s Gravita Infotech [(i)]	6.40	7.66	6.84	6.84
- M/s Recycling Infotech LLP [(i)]	(0.59)	(0.54)	(0.62)	(0.62)

(Amounts in ₹ lacs)

(i) For business purposes of the entity.

(ii) Including interest till reporting date since inception of the loan agreement.

(iii) Gross of impairment.

(iv) For the purpose of implementing Gravita Stock Appreciation Right Scheme 2017 for acquiring equity shares of the Company from secondary market.

35. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Corporate guarantee given to bank for loans availed by the following related parties:		
- M/s Gravita Metal Inc	900.00	900.00
- Gravita Netherlands B.V. (i) (Cash margin given of Rs. 200 lacs)	3,150.00	3,150.00
Dues outstanding in respect of above, considered contingent		
- M/s Gravita Metal Inc	748.54	891.64
- Gravita Netherlands B.V.(i)	1,306.84	1,827.86
(II) Claim against the Company not acknowledged as debt(ii)		
- Excise Duty/Customs Duty/Service Tax/Goods and services Tax	460.62	445.77
- Value Added Tax/ Central Sales Tax/Entry Tax	328.90	1.87
Total	**2,844.90**	**3,167.14**

(i) Secured by way of mortgaging its Industrial Land, Building and Other Assets located at Plot No. PA-011-006, SEZ, Village Kalwara, Tehsil Sanganer, Jaipur.

(ii) All the matters above other than guarantee given by the Company are subject to legal proceedings in the ordinary course of business. The management is confident that its position to be upheld in the appeals pending before various appellate authorities and no liability could arise on the Company on account of these proceedings.

(b) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	312.08	126.67
Total	**312.08**	**126.67**

36. Earning per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year attributable to equity shares (Rs. in lacs) (A)	3,215.59	2,243.14
Total shares outstanding at the beginning of the year (in numbers) (refer note 14) (B)	6,90,37,914	6,87,46,714
Add: Weighted average number of shares issued during the year on account of exercise of employee stock option (C)	-	2,70,514
Weighted-average number of equity shares for basic EPS (D) = (B + C)	**6,90,37,914**	**6,90,17,228**
Effect of dilution (E)	-	-
Weighted-average number of equity shares for diluted EPS (F) = (D + E)	**6,90,37,914**	**6,90,17,228**
Basic earnings per share (in Rs.) (A/D)	**4.66**	**3.25**
Diluted earnings per share (in Rs.) (A/F)	**4.66**	**3.25**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

37. Dividend

Particulars	Dividend per share	Total dividend amount (including dividend tax)
For the year ended March 31, 2021		
Interim dividend for financial year 2020-21[(i)]	1.10	759.42
Total		**759.42**
For the year ended March 31, 2020		
Final dividend for financial year 2019-20[(ii)]	0.30	207.11
Interim dividend for financial year 2019-20 [(iii)]	0.70	505.52
Total		**712.63**

(i) Declared by the Board of Directors, in its meeting held on January 28, 2021

(ii) Approved by shareholders at the Annual General Meeting held on September 20, 2019.

(iii) Declared by the Board of Directors, in its meeting held on February 24, 2020.

38. Reconciliation of liabilities arising from financing activities

Particulars	Non-current borrowing[(i)]	Current borrowing	Lease liabilities
As at April 1, 2019	**2,122.75**	**19,485.74**	**454.88**
Cash inflow	2,928.15	-	-
Cash outflow	(819.90)	(1,143.55)	(119.48)
Non-cash changes			
Amortisation of transaction costs in respect of financial liabilities carried at amortised cost	12.86	-	-
Unrealised foreign exchange (gain)/loss on restatement of foreign currency loans	-	80.97	-
Interest cost on lease liabilities	-	-	40.44
As at March 31, 2020	**4,243.86**	**18,423.16**	**375.84**
Cash inflow	4,628.94	-	-
Cash outflow	(2,082.36)	(4,379.90)	(121.04)
Non-cash changes			
Recognition of lease liabilities	-	-	40.53
Amortisation of transaction costs in respect of financial liabilities carried at amortised cost	38.10	-	-
Unrealised foreign exchange (gain)/loss on restatement of foreign currency loans	-	(50.74)	-
Interest cost on lease liabilities	-	-	38.60
As at March 31, 2021	**6,828.54**	**13,992.52**	**333.93**

(i) including current maturities

(Amounts in ₹ lacs)

39. Disclosure of effects of hedge accounting on financial position

(a) Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value in USD	Carrying amount of hedging instrument	Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
As at March 31, 2021							
Cash flow hedge							
Pre-shipment credit in foreign currency (PCFCs)	110.68	8,135.81	May 30, 2021 - September 21, 2021	1:1	Rs. 73.09/ USD	(200.56)	(200.56)
As at March 31, 2020							
Cash flow hedge							
Pre-shipment credit in foreign currency (PCFCs)	28.00	2,110.71	"May 15, 2020 - September 16, 2020"	1:1	Rs. 72.99/ USD	152.64	152.64

(b) Disclosure of effects of hedge accounting on financial performance

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive loss (income)	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
For the year ended March 31, 2021				
Cash flow hedge				
Pre-shipment credit in foreign currency (PCFCs)	(50.74)	-	(149.82)	Finance cost and other income
For the year ended March 31, 2020				
Cash flow hedge				
Pre-shipment credit in foreign currency (PCFCs)	80.97	-	71.67	Finance cost and other expenses

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

39. Disclosure of effects of hedge accounting on financial position *(Contd.)*

(c) Movements in cash flow hedging reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Amount at the beginning of the year	52.21	(0.47)
Add: Changes in value of PCFCs	(200.56)	152.64
Less: Amount reclassified to profit or loss	149.82	(71.67)
Less: Deferred tax relating to above (net)	17.73	(28.29)
Amount at the end of the year	**19.20**	**52.21**

40. Financial Instruments

A Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Note	As at March 31, 2021		As at March 31, 2020	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Financial assets					
Investments[i]	6	0.03	-	0.03	-
Trade receivables	11	6,529.16	-	5,922.96	-
Other financial assets	8	252.09	-	2,415.92	-
Derivative assets	8	-	401.49	-	-
Loans	7	1,541.92	-	881.02	-
Cash and cash equivalents	12	148.68	-	84.54	-
Bank balances other than cash and cash equivalents	13	593.09	-	640.10	-
Total financial assets		**9,064.97**	**401.49**	**9,944.57**	**-**
Financial liabilities					
Borrowings	16 & 21	20,821.06	-	22,667.02	-
Lease liabilities	17	333.93	-	375.84	
Trade payables	20	15,472.40	-	7,883.51	-
Other financial liabilities	21	98.82	-	108.61	-
Derivative liabilities	8	-	-	-	606.53
Total financial liabilities		**36,726.21**	**-**	**31,034.98**	**606.53**

(i) Investment in subsidiaries (including partnership firms and LLP) are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B. Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(Amounts in ₹ lacs)

1 Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Note	Level 1	Level 2	Level 3	Total
As at March 31, 2021					
Financial assets measured at fair value through profit or loss					
Derivative assets	8	-	401.49	-	**401.49**
As at March 31, 2020					
Financial liabilities measured at fair value through profit or loss					
Derivative liabilities	8	-	606.53	-	**606.53**

Valuation process and technique used to determine fair value

i. The fair value of investments in quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.

ii. The fair value of investments in unquoted equity shares is estimated at their respective costs, since those companies do not have any significant operations and there has neither been any significant change in their performance since initial recognition nor there is any expectation of such changes in foreseeable future.

iii. The Company enters into commodity contracts with financial institutions for hedging price risk of lead arising from its import and export. Fair values of such contracts are determined based on observable rates of the commodity for similar contracts for the remaining maturity on the balance sheet date.

iv. There are no significant changes in value of level 3 investment measured at fair value through other comprehensive income.

2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	Note	March 31, 2021		March 31, 2020	
		Carrying value	Fair value	Carrying value	Fair value
Non-current financial assets					
Investments	6	0.03	0.03	0.03	0.03
Security deposits	7	242.19	242.19	156.88	156.88
Deposits with bank (with remaining maturity more than 12 months)	8	2.20	2.20	2.01	2.01
Loans (net of impairment)	7	1,285.88	1,285.88	696.35	696.35
Non-current financial liabilities					
Borrowings	16 & 21	6,828.54	6,828.54	4,243.86	4,243.86
Lease liabilities	17	255.26	255.26	260.87	260.87

The management assessed that fair values of current loans, current financial assets, cash and cash equivalents, other bank balances, trade receivables, short term borrowings, trade payables , current lease liabilities and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is disclosed 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. The following methods and assumptions were used to estimate the fair values:

i. Non-current loans and non-current financial liabilities are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the counterparty/borrower and other market risk factors.

ii. The fair values of the Company's fixed interest-bearing liabilities, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

iii. All the other long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

41. Financial Risk Management

Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loans, Cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets measured at amortised cost	Ageing analysis, Credit ratings	Bank deposits, diversification of asset base, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

1 Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by loans, cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in Statement of Profit and Loss.

(Amounts in ₹ lacs)

The Company provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, trade receivables, cash and cash equivalents, derivative financial instruments, financial assets measured at amortised cost	6 month expected credit loss
High credit risk	Loans and trade receivables	Trade receivables - Life time expected credit loss or specific provision whichever is higher

Financial assets that expose the entity to credit risk

Particulars	Note	At at March 31, 2021	At at March 31, 2020
Low credit risk			
Investments(i)	6	0.03	0.03
Security deposits	7	256.04	184.67
Loans	7	1,285.88	696.35
Trade receivables	11	6,529.16	5,922.96
Cash and cash equivalents	12	148.68	84.54
Bank balances other than cash and cash equivalents	13	593.09	640.10
Other financial assets (including derivative assets)	8	653.58	1,809.39
High credit risk			
Trade receivables	11	223.94	373.16
Loans	7	-	181.57
Total		**9,690.37**	**9,892.74**

(i) Investment in subsidiaries (including partnership firms and LLP) are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Derivative financial instruments

Derivative financial instruments are considered to have low credit risk since the contracts are with reputable financial institutions.

Trade receivables

Trade receivables are generally unsecured and non-interest bearing. There is no significant concentration of credit risk. The Company's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilization of credit limit is regularly monitored. The Company's credit risk is mainly confined to the risk of customers defaulting against credit sales made. Outstanding trade receivables are regularly monitored by credit monitoring Company. The Company has also taken advances from its customers, which mitigate the credit risk to an extent. In respect of trade receivables, the Company recognises a impairment for lifetime expected credit losses after evaluating the individual probabilities of default of its customers which are duly based on the inputs received from the marketing teams of the Company.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans to related parties, loans to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(b) Expected credit losses for financial assets

(i) Financial assets (other than trade receivables)

Company provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For cash & cash equivalents - other bank balances and derivative financial instruments - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, derivative financial instruments, other bank balances and bank deposits is evaluated as very low.

For security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

For other financial assets - Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for 6 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

Particulars	Notes	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2021					
Cash and cash equivalents	12	148.68	0.00%	-	148.68
Bank balances other than cash & cash equivalents	13	593.09	0.00%	-	593.09
Security deposits	7	256.04	0.00%	-	256.04
Loans	7	1,285.88	0.00%	-	1,285.88
Other financial assets	8	653.58	0.00%	-	653.58
March 31, 2020					
Cash and cash equivalents	12	84.54	0.00%	-	84.54
Other bank balances	13	640.10	0.00%	-	640.10
Security deposits	7	184.67	0.00%	-	184.67
Loans	7	877.92	20.68%	181.57	696.35
Other financial assets	8	1,809.39	0.00%	-	1,809.39

Reconciliation of loss allowance provision for loans from beginning to end of reporting period:

Reconciliation of loss allowance	Loans
Loss allowance as at April 1, 2019	**-**
Changes in loss allowance	181.57
Loss allowance as at March 31, 2020	**181.57**
Changes in loss allowance	(181.57)
Loss allowance on March 31, 2021	**-**

(ii) Expected credit loss for trade receivables under simplified approach

As at March 31, 2021 and March 31, 2020, the Company considered the individual probabilities of default of its financial assets (other than trade receivables) and determined that in respect of counterparties with low credit risk, no default events are considered to be possible within the 6 months after the reporting date. In respect of trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses using a simplified approach.

(Amounts in ₹ lacs)

Particulars	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount of impairment provision
March 31, 2021				
Amount not yet due	3,781.08	0.00%	-	3,781.08
Between one to six month overdue	2,646.74	0.00%	-	2,646.74
Greater than six month overdue	325.28	68.85%	223.94	101.34
Total	**6,753.10**		**223.94**	**6,529.16**
March 31, 2020				
Amount not yet due	4,133.14	0.00%	-	4,133.14
Between one to six month overdue	1,822.36	1.79%	32.54	1,789.82
Greater than six month overdue	340.62	100.00%	340.62	-
Total	**6,296.12**		**373.16**	**5,922.96**

Reconciliation of loss allowance provision for Trade receivables from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance as at April 1, 2019	**118.58**
Changes in loss allowance	254.58
Loss allowance as at March 31, 2020	**373.16**
Changes in loss allowance	(149.22)
Loss allowance on March 31, 2021	**223.94**

II. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

(a) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Undrawn*	9,754.98	4,736.84

* includes working capital facilities which is due for review every year.

(b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant:

Particulars	Less than 1 year	1-5 year	More than 5 years	Total
March 31, 2021				
Non-derivatives				
Borrowing(i)	3,002.03	5,005.96	15.67	8,023.66
Short term borrowings	13,992.52	-	-	13,992.52
Lease liabilities	109.69	214.90	128.69	453.28
Trade payables	15,472.40	-	-	15,472.40
Other financial liabilities	1,491.13	-	-	1,491.13
Total	**34,067.77**	**5,220.86**	**144.36**	**39,432.99**
March 31, 2020				
Non-derivatives				
Borrowing(i)	1,630.65	3,515.16	-	5,145.81
Short term borrowings	18,423.16	-	-	18,423.16
Lease liabilities	114.97	237.52	170.08	522.57
Trade payables	7,883.51	-	-	7,883.51
Other financial liabilities	87.08	-	-	87.08
Derivatives				
Derivative liability	606.53	-	-	606.53
Total	**28,745.90**	**3,752.68**	**170.08**	**32,668.66**

(i) including current maturities of non-current borrowings along with estimated future interest obligation

III. Market risk

(a) Foreign currency risk

The Company is exposed to foreign exchange risk in the normal course of its business. Multiple currency exposures arise from commercial transactions like sales, purchases, borrowings, recognized financial assets and liabilities (monetary items). Certain transactions of the Company act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adapts the policy of selective hedging based on risk perception of management. Foreign exchange hedging contracts are carried at fair value. The Company's exposure to foreign currency changes for all other currencies which are not stated below is not material. Foreign currency exposures that are not hedged by derivative instruments outstanding as on the balance sheet date are as under:

Particulars	Financial assets		Financial liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	3,769.61	4,752.90	5,988.16	2,784.34

Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the Company's financial assets and financial liabilities at the reporting date, net of derivative contracts for hedging those exposures. Reasonably possible changes are based on an analysis of historic currency volatility, together with any relevant assumptions regarding near-term future volatility.

The impact on the Company's profit before tax and equity due to changes in the foreign currency exchange rates are given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
USD Sensitivity		
INR/USD - Increase by 4.38% (March 31, 2020 - 5.45%)	(97.17)	107.29
INR/USD - Decrease by 4.38% (March 31, 2020 - 5.45%)	**97.17**	**(107.29)**

(Amounts in ₹ lacs)

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 12 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

Outstanding contracts	No. of deals		Foreign currency		Nominal amount	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD / INR sell forward	2,000	2,000	20,00,000	20,00,000	14,68,30,000	15,07,71,800

(b) Interest rate risk

(i) Financial liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2021 and March 31, 2020, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	17,652.33	19,964.30
Fixed rate borrowing	3,168.73	2,702.72
Total borrowings	**20,821.06**	**22,667.02**

Sensitivity

Below is the sensitivity of profit or loss to changes in interest rates.

Particulars	As at March 31, 2021	As at March 31, 2020
Interest sensitivity(i)		
Interest rates – increase by 100 basis points	176.52	199.64
Interest rates – decrease by 100 basis points	(176.52)	(199.64)

(i) Holding all other variables constant

(c) Price risk

Exposure

The Company exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. There are no investments held by the company which are measured at fair value either through profit and loss or fair value through other comprehensive income, hence the Company is not exposed to price risk.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

42. Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2021, the Company is not subject to any externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. The Company's management reviews the capital structure of the Company on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio, Debt to EBIDTA Ratio to arrive at an appropriate level of debt and accordingly evolve its capital structure.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2021	As at March 31, 2020
Total equity	18,901.87	16,415.17
Non-current borrowings (including current maturities)	6,828.54	4,243.86
Current borrowings	13,992.52	18,423.16
Total capital (Debt + Equity)	**39,722.93**	**39,082.19**

43. Employee benefits plans

(i) Defined Contribution Plans

The Company makes contribution towards employees' provident fund and employees' deposit linked insurance scheme for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes.

The Company has recognised for contributions to these plans in the Statement of Profit and Loss as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution to provident funds	163.52	149.49
Employer's contribution to employee state insurance	35.54	46.90

There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgement dated February 28, 2019 on provident fund. The Company has started recognising such expenditure/liability on account of enhanced provident fund contributions prospectively. Pending further clarification on the applicability of such ruling, the management is of the view that such ruling is applicable prospectively.

Earned leaves – Long term leaves includes earned leaves. These have been provided on accrual basis, based on year end actuarial valuation.

(ii) Defined benefits plans

The employees' gratuity fund scheme managed by a trust namely 'Gravita India Limited Employees Gratuity Trust' is defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is determined based on actuarial valuation as at the end of each financial year using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

These plans typically expose the Company to actuarial risks such as investment risk, salary risk, interest rate risk and longevity risk.

Investment Risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk -The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability

(Amounts in ₹ lacs)

Interest Risk -The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk -The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

Reconciliation of opening and closing balances Defined Benefit Obligation

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Change in benefit obligation (A)				
Present value of obligation as at the beginning of the year	282.10	79.56	233.42	63.64
Current service cost	34.16	12.21	32.31	16.13
Interest cost	19.18	5.41	17.86	4.85
Actuarial loss/ (gain)	3.81	(0.56)	3.66	15.74
Actuarial loss/ (gain) on plan assets	-	-	(0.07)	-
Benefits paid	(17.04)	(19.28)	(5.08)	(20.80)
Present value of obligation as at the end of the year	**322.21**	**77.34**	**282.10**	**79.56**
Change in plan assets (B)				
Fair value of plan assets at the beginning of the year	-	-	0.98	-
Benefits paid	-	-	(0.98)	-
Fair value of plan assets at the end of the year	-	-	-	-
Liability recognized in the financial statement (A - B)	**322.21**	**77.34**	**282.10**	**79.56**

Actuarial assumptions

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Discount rate	6.79%	6.79%	6.80%	6.80%
Expected rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	22.15	22.16	22.56	22.47
Average remaining working lives of employees with Mortality and Withdrawal (years)	17.35	17.35	17.51	17.51
Mortality rates inclusive of provision for disability (100% of Indian Assured Lives Mortality (IALM) (2012-14):	100%	100%	100%	100%
Attrition at Ages				
- Age upto 30 years	3%	3%	3%	3%
- Age from 31 to 44 years	2%	2%	2%	2%
- Age above 44 years	1%	1%	1%	1%
Retirement age (years)	58	58	58	58

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Maturity profile of defined benefit obligation

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 year	38.62	4.16	35.23	4.70
1 to 2 year	9.65	3.30	3.98	1.39
2 to 3 year	5.26	1.47	8.80	3.76
3 to 4 year	7.58	2.59	4.48	1.43
4 to 5 year	75.06	3.79	6.02	2.17
5 to 6 year	29.23	10.24	69.81	4.21
6 year onwards	156.81	51.77	153.78	61.90

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Cost for the period				
Current service cost	34.16	12.21	32.31	16.13
Net interest cost	19.18	5.41	17.86	4.87
Actuarial loss	-	(0.56)	-	15.74
Total amount recognised in profit or loss	**53.34**	**17.06**	**50.17**	**36.74**
Re-measurements recognised in Other comprehensive income				
Actuarial (gain) / loss on plan assets	-	-	0.08	-
Effect of changes in demographic assumptions	-	-	(0.11)	-
Effect of changes in financial assumptions	0.26	-	18.78	-
Effect of experience adjustments	3.55	-	(15.09)	-
Total re-measurements included in Other Comprehensive Income	**3.81**	**-**	**3.66**	**-**
Total amount recognised in Statement of Profit and Loss	**57.15**	**17.06**	**53.83**	**36.74**

Sensitivity analysis of the defined benefit obligation

The significant actuarial assumption for the determination of defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of Obligation at the end of the year	322.21	77.34	282.10	79.56
(a) Impact of the change in discount rate				
Impact due to increase of 0.50%	(12.50)	(3.85)	(11.44)	(4.38)
Impact due to decrease of 0.50%	13.49	4.17	12.34	4.77
(b) Impact of the change in salary increase				
Impact due to increase of 0.50%	**13.53**	**4.19**	**12.38**	**4.78**
Impact due to decrease of 0.50%	**(12.65)**	**(3.90)**	**(11.58)**	**(4.43)**

(Amounts in ₹ lacs)

44. Employee share based payments

(a) Employee stock option plan, 2011

The members of the Company at its Annual General Meeting held on July 27, 2011 had approved the issue of stock options to eligible employees/directors of the Company and its subsidiaries. Accordingly, the Board at their meeting held on August 10, 2011 approved the "Gravita ESOP 2011" Scheme. A Compensation Committee was formed to govern the Gravita ESOP 2011 Scheme which has approved the grant of options on April 1, 2015. Details of the grant is as follows:

Particulars	Grant
Grant Date	April 1, 2015
Grant effective from	April 1, 2015
Exercisable period	5 years
Option Granted	5,00,000
Exercise price	Rs. 2 per share

Fair value of share options granted during the year

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of

Inputs in the pricing model

Particulars	Grant
Weighted average fair Value of options	34.93
Weighted average share price	36.30
Exercise Price	2
Expected Volatility	66.19%
Options Life	5 Yrs.
Dividend Yield	0.00%
Risk Free Rate	7.05%

Movement in stock options

Particulars	March 31, 2021	March 31, 2020
Options outstanding at the beginning of the year	-	2,91,200
Add: New options issued during the year	-	-
Less: Options exercised during the year	-	2,91,200
Less: Lapsed/ forfeited during the year	-	-
Options outstanding at the end of the year	**-**	**-**

(b) Employee Stock appreciation rights Scheme

In terms of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ('SEBI Regulations'), the Compensation Committee of Board, inter alia, administers and monitors the Gravita Stock Appreciation Rights Scheme 2017 of the Company. The Compensation Committee, at its meeting granted 528,000 (Previous year: 129,600) Stock Appreciation Rights to the employees of the Group under Gravita Stock Appreciation rights Scheme 2017. In addition, Gravita Employee Welfare Trust has

Movement of shares acquired by Gravita Employee Welfare Trust

Particulars	March 31, 2021	March 31, 2020
Number of shares outstanding at the beginning of the year	7,28,000	2,00,000
Equity shares acquired during the year	6,52,500	5,28,000
Number of shares outstanding at the end of the year	**13,80,500**	**7,28,000**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Movement of shares appreciation rights granted by Gravita Employee Welfare Trust

Particulars	March 31, 2021	March 31, 2020
Number of shares appreciation rights granted at the beginning of the year	2,00,000	70,400
Shares appreciation rights granted during the year	5,28,000	1,29,600
Number of shares appreciation rights granted at the end of the year	**7,28,000**	**2,00,000**

45. Related party disclosures under Accounting Standard Ind-AS - 24 "Related Party Disclosures"

(i) Name of related parties and nature of related party relationship

(a) Subsidiaries

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Gravita Infotech Limited	India	100.00	100.00
Noble Buildestate Private Limited	India	100.00	100.00
Gravita Ghana Limited	Ghana	100.00	100.00
Gravita Global Pte Limited	Singapore	100.00	100.00

(b) Step down subsidiaries

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Gravita Mozambique LDA	Mozambique	100.00	100.00
Navam Lanka Limited	Srilanka	52.00	52.00
Gravita Netherlands BV	Netherlands	100.00	100.00
Gravita Senegal SAU	Senegal	100.00	100.00
Gravita Nicaragua SA	Nicaragua	100.00	100.00
Gravita Jamaica Limited	Jamaica	100.00	100.00
Gravita Ventures Limited	Tanzania	100.00	100.00
Gravita USA Inc	USA	100.00	100.00
Gravita Mali SA	Mali	100.00	100.00
Recyclers Gravita Costa Rica SA	Costa Rica	100.00	100.00
Gravita Tanzania Limited	Tanzania	100.00	100.00
Recyclers Ghana Limited	Ghana	100.00	100.00
Mozambique Recyclers LDA	Mozambique	100.00	100.00
Gravita Dominican SAS	Dominican Republic	100.00	100.00
Gravita Peru SAC	Peru	100.00	100.00
Gravita Cameroon Limited (upto February 25, 2020)	Cameroon	-	-
Met Mauritania Recycling SARL (Upto July 3, 2019)	Mauritania	-	-

(c) Associate

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Pearl Landcon Private Limited	India	25.00	25.00

(d) Partnership firms

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
M/s Shasin Industries (upto March 20, 2020)	India	-	-
M/s Gravita Metal Inc	India	95.00	95.00
M/s Gravita Infotech	India	49.00	49.00

 (Amounts in ₹ lacs)

(e) Limited liability partnership firm

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
M/s Recycling Infotech LLP	India	51.00	51.00

(f) Enterprises over which Key Managerial Personnel and / or their relatives exercise significant influence:

Name of Entity
Saurabh Farms Limited
Shah Buildcon Private Limited
Jalousies India Private Limited
Gravita Impex Private Limited
Agarwal Family Private Trust

(g) Trusts

Name of Entity
Gravita Employee Welfare Trust

Key Managerial Personnel and their relatives

(h) Key Management Personnel

Name of the Key managerial personnel	Designation
Dr. Mahavir Prasad Agarwal	Chairman and Whole-time Director
Mr. Rajat Agrawal	Managing Director
Mr. Yogesh Malhotra(i)	Whole-time director & Chief Executive Officer
Mr. Naveen Prakash Sharma(ii)	Chief Executive Officer
Mr. Sunil Kansal	Chief Financial Officer
Mr. Nitin Gupta	Company Secretary

(i) Redesignated as Whole-time director & Chief executive officer with effect from January 1, 2020.

(ii) Resigned from the post of Chief executive officer with effect from January 1, 2020.

(i) Relatives of Key managerial personnel
(with whom transactions have taken place during the current year or previous year)

Name	Relationship
Mrs. Anchal Agrawal	Wife of Mr. Rajat Agrawal

(ii) Detail of transaction and balance outstanding with related parties

Transactions with related parties:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Sales		
(a) Subsidiaries		
Gravita Tanzania Limited	350.85	195.13
Recyclers Ghana Limited	570.06	261.81
Gravita Mozambique LDA	255.63	67.70
Mozambique Recyclers LDA	103.41	-
Gravita Senegal SAU	96.50	76.54
Gravita Nicaragua SA	52.25	59.40
Navam Lanka Limited	39.81	47.74
Gravita Jamaica Limited	0.84	69.74
Gravita Ghana Limited	-	0.05
Gravita Cameroon Limited	-	0.02
(b) Partnership firms		
M/s Gravita Metal Inc	862.50	96.75

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Transactions with related parties: (Contd)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(ii) Purchases (net of returns and rebates)		
(a) Subsidiaries		
Recyclers Ghana Limited	13,732.90	6,772.96
Gravita Mozambique LDA	4,651.32	3,336.87
Gravita Tanzania Limited	4,245.21	5,766.99
Navam Lanka Limited	4,216.32	4,630.64
Gravita Senegal SAU	4,117.69	2,331.51
Recyclers Mozambique LDA	1,800.24	131.32
Gravita USA Inc	964.32	890.85
Gravita Nicaragua SA	220.82	57.44
Gravita Ghana Limited	-	1,769.19
Gravita Cameroon Limited	-	803.68
Gravita Ventures Limited	-	(1.15)
(b) Partnership firms		
M/s Gravita Metal Inc	290.67	249.16
M/s Shasin Industries	-	24.46
(iii) Purchases of property plant and equipments		
(a) Key managerial personnel		
Rajat Agrawal	**70.75**	-
(iv) Profit/ (loss) from partnership firm		
M/s Gravita Metal Inc	(482.79)	76.00
M/s Shasin Industries	-	(62.22)
M/s Gravita Infotech	(0.50)	(0.53)
M/s Recycling Infotech LLP	(0.05)	(0.06)
(v) Loan given during the year		
(a) Trust		
Gravita Employee Welfare Trust	323.10	228.51
(vi) Interest income		
(a) Subsidiaries		
Noble Buildestate Private Limited	30.00	30.08
(b) Trust		
Gravita Employee Welfare Trust	61.87	25.44
(vii) Service charges income		
(a) Subsidiaries		
Gravita Netherlands BV	7.74	10.50
(viii) Management consultancy income		
(a) Partnership firms		
M/s Gravita Metal Inc	1.20	-
(ix) Corporate guarantee expenses		
(a) Subsidiaries		
Noble Buildestate Private Limited	7.55	12.55
(x) Corporate guarantee income		
(a) Subsidiaries		
Gravita Netherlands BV	5.18	12.30
(xi) Professional fees expenses		
(a) Subsidiaries		
Gravita Infotech Limited	30.44	-

(Amounts in ₹ lacs)

Transactions with related parties: (Contd)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(xii) Dividend Paid		
(a) Trust		
Gravita Employee Welfare Trust	15.19	2.00
(b) Key managerial personnel		
Mr. Rajat Agrawal	359.83	326.88
Mr. Yogesh Malhotra	0.29	0.19
Mr. Naveen Prakash Sharma	-	0.19
Mr. Sunil Kansal	0.54	0.35
Mr. Nitin Gupta	0.01	0.01
(c) Key managerial personnel		
Agarwal Family Private Trust	190.83	173.48
(xiii) Rent expenses		
(a) Subsidiaries		
Gravita Infotech Limited	10.77	10.17
(b) Key management personnel		
Mr. Rajat Agrawal	39.61	40.09
(c) Relatives of key management personnel		
Mrs. Anchal Agrawal	6.38	6.05
(d) Enterprises having common key management personnel and/ or their relatives		
Saurabh Farms Limited	41.93	39.26
Shah Buildcon Private Limited	21.78	2.99
Jalousies India Private Limited	32.30	30.63
(xiv) Remuneration paid to key managerial personnel		
(a) Short-term benefits(I)		
Dr. Mahavir Prasad Agarwal	120.00	120.00
Mr. Rajat Agrawal	100.14	120.00
Mr. Yogesh Malhotra	78.75	79.44
Mr. Naveen Prakash Sharma	-	64.76
Mr. Sunil Kansal	66.13	78.76
Mr. Nitin Gupta	8.42	8.43
(b) Post-employment benefits(II)		
Dr. Mahavir Prasad Agarwal	8.05	8.05
Mr. Rajat Agrawal	8.00	8.00
Mr. Yogesh Malhotra	5.65	4.77
Mr. Naveen Prakash Sharma	-	4.23
Mr. Sunil Kansal	5.24	5.24
Mr. Nitin Gupta	0.40	0.37
(c) Share based payment(III)		
Mr. Yogesh Malhotra	-	18.71
Mr. Naveen Prakash Sharma	-	24.93
Mr. Sunil Kansal	-	10.36
Mr. Nitin Gupta	-	2.77

(I) Short-term benefits includes PAT incentive/ performance incentive, which is subject to performance and target achievement.

(II) Post-employment benefits does not include provisions for incremental gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

(III) Represent the value of options exercised and regarded as perquisite. However, it does not include the value of unvested options or options vested but not exercised.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Closing balances with related parties:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Advances		
(a) Subsidiaries		
Gravita Nicaragua SA	-	43.24
Gravita Tanzania Limited	1,665.42	1,710.04
Recyclers Ghana Limited	469.10	615.15
Gravita Netherland BV	369.20	-
Gravita USA Inc	64.74	119.40
(ii) Recoverable from related party		
(a) Subsidiaries		
Navam Lanka Limited	7.40	7.59
Gravita Senegal SAU	44.42	47.38
Gravita Mozambique LDA	94.98	33.60
Gravita Tanzania Limited	8.27	117.82
Gravita Jamaica Limited	0.94	61.10
Mozambique Recyclers LDA	102.53	7.68
Recyclers Ghana Limited	584.53	208.58
Gravita Nicaragua SA	3.35	-
(b) Partnership firms		
M/s Gravita Metal Inc	595.07	-
(iii) Other Contractual receivables from related parties		
(a) Subsidiaries		
Gravita infotech Limited	2.54	1.53
Gravita Mozambique LDA	13.17	63.94
Gravita Netherlands BV	21.85	235.62
Gravita Senegal SAU	43.97	24.51
Navam Lanka Limited	1.28	2.51
(iv) Other Contractual payable to related parties		
(a) Subsidiaries		
Noble Buildestate Private Limited	25.76	30.45
(b) Enterprises having common key management personnel and/or their relatives		
Gravita Impex Private Limited	4.32	4.32
(v) Payable		
(a) Subsidiaries		
Gravita Senegal SAU	193.56	35.66
Gravita Mozambique LDA	1,217.97	542.52
Gravita Infotech Limited	35.47	0.92
Navam Lanka Limited	1,243.67	663.34
Gravita Nicaragua SA	1.00	-
Noble Buildestate Private Limited	3.62	-
Recyclers Mozambique LDA	488.53	-
(b) Partnership firms		
M/s Gravita Metal Inc	95.27	-

(Amounts in ₹ lacs)

Closing balances with related parties *(contd.)*

Particulars	As at March 31, 2021	As at March 31, 2020
M/s Gravita Infotech	-	0.04
(vi) Investment balances		
(a) Subsidiaries		
Gravita Infotech Limited	26.09	26.09
Gravita Ghana Limited	123.66	123.66
Gravita Global Pte Limited	728.60	728.60
Noble Buildestate Private Limited	74.96	74.96
(b) Partnership firms (fixed and current investments)		
M/s Gravita Metal Inc	(1,331.26)	753.73
M/s Gravita Infotech	6.40	8.61
M/s Recycling Infotech LLP	(0.59)	1.30
(vii) Loan given (including interest accrued)		
(a) Subsidiaries		
Noble Buildestate Private Limited	394.76	367.13
(b) Trust		
Gravita Employee Welfare Trust	891.12	510.79
(viii) Corporate guarantee given		
(a) Subsidiaries		
Gravita Netherlands BV	1,306.84	1,827.86
(b) Partnership firms		
M/s Gravita Metal Inc	748.54	891.64
(ix) Corporate guarantee taken		
(a) Enterprises having common key management personnel and/ or their relatives		
Gravita Impex Private Limited	14,593.57	19,415.72
(b) Subsidiaries		
Noble Buildestate Private Limited	-	978.79
(x) Remuneration payable to Key managerial personnel		
Dr. Mahavir Prasad Agrawal	7.58	6.33
Mr. Rajat Agrawal	7.10	6.73
Mr. Yogesh Malhotra	4.04	0.50
Mr. Sunil Kansal	2.65	1.85
Mr. Nitin Gupta	0.69	0.59

(i) Refer note 16(2) for details of personal guarantee given by Key managerial personnel.

46. As a result of the nationwide lockdown imposed by the Government of India due to outbreak of Covid-19 pandemic, the business operations of the Company were temporarily disrupted at its manufacturing locations impacting production and sales from the end of March 2020. Since then, the operations have been gradually resuming in line with the Government of India directives issued in this regard. Subsequent to year-end, many State Governments have announced lockdown like restrictions due to further spread of Covid-19 second wave. The management has considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

47. Segment information has been provided under the Summary of the significant accounting policies and other explanatory information of the consolidated financial statement for the year ended March 31, 2021 as per para 4 of Indian Accounting Standard (Ind AS) 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013.

48. In the opinion of Board of Directors, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known/ expected liabilities have been made.

49. The figures of previous year have been regrouped/ reclassed to make them comparative with those of current year wherever considered necessary.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Gravita India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Gravita India Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associate, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion..

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer note 23 to the Consolidated financial statements. The Revenues of the Group consists primarily of sale of products and is recognized when control of products being sold is transferred to the customer and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates and trade discounts.	Our audit work included, but was not limited to, the following procedures: a) Assessed the appropriateness of the Group's revenue recognition accounting policies in accordance with Ind AS 115 – Revenue from contracts with customers; b) Tested the design and operating effectiveness of the general IT control environment and the manual controls for recognition of revenue; c) Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, customer analysis, etc.; d) Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents;

Key audit matter	How our audit addressed the key audit matter
Revenue recognition process also involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of revenue recognized. The Group also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue. Considering the materiality of amounts involved and significant judgements involved, the same has been considered as a key audit matter for the current year's audit.	e) Reviewed, on a sample basis, sales agreements and the underlying contractual terms related to delivery of goods and rebates to assess the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards; f) Obtained supporting documentation for a sample of credit notes issued after the year end to determine whether the transaction was recognized in the correct accounting period; g) Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; h) Assessed if there is any modification to, or other impact on the contracts with customers due to COVID 19 outbreak; i) Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; and j) Ensured the adequacy and appropriateness of disclosures made in the consolidated financial statements in accordance with the requirements of Ind AS 115.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor›s report.

   Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing

Independent Auditor's Report *(Contd.)*

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing, 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 has adequate internal financial controls with reference to consolidated financial statements 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 ability of the Group and its associate 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 and its associate 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; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.
13. 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.
14. 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.

Other Matter

15. We did not audit the financial statements of 23 subsidiaries, whose financial statements reflects total assets of ₹ 25,813.41 lakhs and net assets of ₹ 10,552.34 lakhs as at 31 March 2021, total revenues of ₹ 54,387.02 lakhs and net cash inflows amounting to ₹ 0.71 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements include the Group's share of net loss (including other comprehensive income) of ₹ 1.05 lakhs for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 2 subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate company covered under the Act, since such company is not a public company as defined under section 2(71) of the Act.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, and associate, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

Independent Auditor's Report *(Contd.)*

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 and the reports of the other auditors;

c) the consolidated financial statements 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 Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies and its associate company covered under the Act, are disqualified as on 31 March 2021 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 with reference to financial statements of the Holding Company, and its subsidiary companies and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and associate:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in Note 34 to the consolidated financial statements;

   ii. the Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021 and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and associate company covered under the Act, during the year ended 31 March 2021; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 21507000AAAABU2505

Place: Ghaziabad
Date: 19 May 2021

Annexure 1

List of entities included in the Consolidated Financials Statement

Subsidiaries (including partnership firms and trust)

Gravita Infotech Limited, Gravita Ghana Limited, Gravita Mozambique LDA, Noble Build Estate Private Limited, Gravita Global Pte Limited, Navam Lanka Limited, Gravita Netherlands BV, Gravita Senegal S.A.U, Gravita Nicaragua S.A., Gravita Jamaica Limited, Gravita Ventures Limited, Gravita USA Inc., Gravita Mali SA, Recyclers Gravita Costa Rica SA, Gravita Tanzania Limited, Recyclers Ghana Ltd., Mozambique Recyclers LDA, Gravita Dominican SAS, Gravita Peru SAC, M/s Gravita Metal Inc, M/s Gravita Infotech, M/s Recycling Infotech LLP and Gravita Employee Welfare Trust.

Associate

Pearl Landcon Private Limited.

Annexure A to the Independent Auditor's Report

Independent Auditor's Report on the internal financial controls with reference to Consolidated Financials statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Gravita India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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'). 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. The audit of internal financial controls with reference to financial statements of an associate which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June, 2017 read with corrigendum dated 14 July, 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements 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. A company's internal financial controls with reference to consolidated financial statements include 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company, and its subsidiary companies, and which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 476.45 lakhs and net assets of ₹ 58.85 lakhs as at 31 March 2021, total revenues of ₹ (26.26) lakhs and net cash outflows amounting to ₹ 6.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies.

   Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 21507000AAAABU2505

Place: Ghaziabad
Date: 19 May 2021

Consolidated Balance Sheet

As at March 31, 2021

(Amounts in ₹ lacs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Non - current assets			
Property, plant and equipment	2	16,140.56	16,864.92
Capital work-in-progress	3	1,349.25	1,464.62
Right-of-use assets	4	1,056.81	1,243.36
Other intangible assets	5	38.58	55.77
Financial assets			
- Investments	6	0.32	1.37
- Loans	7	332.54	293.94
- Other financial assets	8	8.96	2.01
Non-current tax assets (net)		11.06	11.66
Other non-current assets	9	629.09	467.58
Total non-current assets		**19,567.17**	**20,405.23**
Current assets			
Inventories	10	35,769.89	22,435.98
Financial assets			
- Trade receivables	11	5,937.92	6,752.55
- Cash and cash equivalents	12	1,131.88	1,067.03
- Bank balances other than cash and cash equivalents	13	853.87	964.52
- Loans	7	278.33	127.79
- Other financial assets	8	567.92	1,488.52
Current tax assets (net)		23.42	70.45
Other current assets	9	8,502.01	8,123.45
Total current assets		53,065.24	41,030.29
TOTAL ASSETS		**72,632.41**	**61,435.52**
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,380.76	1,380.76
Other equity	15	25,512.37	21,137.43
Equity attributable to owners of the Holding Company		**26,893.13**	**22,518.19**
Non-controlling interests		902.32	519.93
Total equity		**27,795.45**	**23,038.12**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	5,124.41	4,290.27
- Lease liabilities	17	323.73	454.01
Provisions	18	447.41	405.88
Deferred tax liabilities (net)	19	241.26	261.48
Other non-current liabilities	20	17.59	20.22
Total non-current liabilities		**6,154.40**	**5,431.86**
Current liabilities			
Financial liabilities			
- Borrowings	16	17,531.16	21,228.96
- Lease liabilities	17	168.46	221.32
- Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		29.76	146.12
Total outstanding dues of creditors other than micro enterprises and small enterprises		15,825.14	8,424.33
- Other financial liabilities	22	3,033.76	1,942.41
Other current liabilities	20	1,379.42	600.54
Provisions	18	47.81	42.75
Current tax liabilities (net)		667.05	359.11
Total current liabilities		**38,682.56**	**32,965.54**
Total liabilities		**44,836.96**	**38,397.40**
TOTAL EQUITY AND LIABILITIES		**72,632.41**	**61,435.52**

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(Amounts in ₹ lacs)

	Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**Income**			
	Revenue from operations	23	1,40,974.92	1,34,780.03
	Other income	24	717.05	99.42
	Total income (I)		**1,41,691.97**	**1,34,879.45**
II	**Expenses**			
	Cost of materials consumed	25	1,20,645.82	1,09,626.45
	Purchases of traded goods	26	843.43	1,855.52
	Changes in inventories of finished goods, work-in-progress and traded goods	27	(8,248.39)	(2,374.64)
	Employee benefits expense	28	7,289.70	6,593.85
	Finance costs	29	2,786.71	2,817.23
	Depreciation and amortisation expense	30	2,030.13	1,812.54
	Other expenses	31	9,252.69	9,331.52
	Total expenses (II)		**1,34,600.09**	**1,29,662.47**
III	**Profit before exceptional items, tax and share of (loss) in associate (I - II)**		**7,091.88**	**5,216.98**
IV	Exceptional items	32	-	522.94
V	Profit before tax and share of (loss) in associate (III - IV)		7,091.88	4,694.04
VI	Share of (loss) in associate		(1.05)	(0.96)
VII	Profit before tax (V + VI)		7,090.83	4,693.08
VIII	**Tax expense**	33		
	- Current tax (including earlier years)		1,507.84	1,117.37
	- Deferred tax (credit)		(99.96)	(82.45)
	Total tax expense		**1,407.88**	**1,034.92**
IX	**Profit for the year (VII - VIII)**		**5,682.95**	**3,658.16**
X	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities		(4.16)	(4.19)
	Income tax on above items		1.45	1.46
	Items that may be reclassified to profit or loss			
	Foreign currency translation reserve		181.60	409.81
	Change in fair value of hedging instruments		50.74	(80.97)
	Income tax on above items		(81.19)	(114.91)
	Total other comprehensive income, net of tax		**148.44**	**211.20**
XI	**Total comprehensive income for the year (IX + X)**		**5,831.39**	**3,869.36**
	Profit for the year attributable to			
	- Owners of the Holding Company		5,248.15	3,317.95
	- Non-controlling interests		434.80	340.21
	Other comprehensive income for the year attributable to			
	- Owners of the Holding Company		200.85	211.42
	- Non-controlling interests		(52.41)	(0.22)
	Total comprehensive income for the year attributable to			
	- Owners of the Holding Company		5,449.00	3,529.37
	- Non-controlling interests		382.39	339.99
XII	**Earnings per share**			
	Basic (Rs.)	36	7.72	4.82
	Diluted (Rs.)		7.72	4.82

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Manish Agrawal
Partner
Membership No: 507000

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Date: May 19, 2021
Place : Ghaziabad

Place : Jaipur

Consolidated Cash Flow Statement

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. Cash flow from operating activities				
Profit before tax		**7,090.83**		**4,693.08**
Adjustments for:				
Depreciation and amortisation expense	2,030.13		1,812.54	
Loss on sale/discard of property, plant and equipment	627.19		252.32	
Share of loss of associates	1.05		0.96	
Finance costs	2,786.71		2,817.23	
Incentive income	(191.60)		(1,760.67)	
Interest income on bank deposits	(42.58)		(61.31)	
Interest income on loans and advances and others	(39.22)		(7.21)	
Liabilities / provisions no longer required written back	(36.19)		(22.32)	
Allowance for expected credit loss on financial assets (including write off)	-		264.17	
Loss on sale/discard of investments - Exceptional item	-		522.94	
Unrealised (gain)/loss on derivatives measured at fair value through profit and loss	(401.49)		606.53	
		4,734.00		**4,425.18**
Operating profit before working capital changes		**11,824.83**		**9,118.26**
Changes in working capital:				
Adjustments for changes in operating assets:				
Inventories	(13,333.91)		(4,174.91)	
Trade receivables	831.11		2,629.69	
Other assets	220.07		99.64	
Other current financial assets	1,322.09		(1,615.33)	
Loans	(189.14)		(73.58)	
Adjustments for changes in operating liabilities:				
Trade payables	7,304.16		(1,269.45)	
Other current financial liabilities	5.10		66.16	
Other current liabilities	778.88		(381.37)	
Provisions	42.43		99.58	
		(3,019.21)		**(4,619.57)**
Cash flow from operations		**8,805.62**		**4,498.69**
Income tax paid (net of refunds)		**(1,152.27)**		**(1,112.12)**
Net cash flow from operating activities (A)		**7,653.35**		**3,386.57**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipment and intangible assets (adjusted for creditors for capital goods and capital work-in-progress including capital advances)	(2,120.81)		(1,492.23)	
Interest received	74.85		68.52	
Movement in bank balances not considered as cash and cash equivalents	110.65		(6.67)	
Net cash used in investing activities (B)		(1,935.31)		(1,430.38)

Consolidated Cash Flow Statement *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		5.83	
Proceeds from non-current borrowings	4,628.94		2,928.15	
Repayment of non-current borrowings	(2,607.32)		(759.22)	
Repayment of current borrowings (net)	(3,647.06)		(22.02)	
Acquisition of treasury shares	(329.83)		(236.72)	
Payment of lease liabilities	(301.24)		(318.07)	
Finance cost paid (excluding in relation to lease liabilities)	(2,652.45)		(2,718.10)	
Dividends including corporate dividend tax paid	(744.23)		(710.63)	
Change in non-controlling interest	-		(286.80)	
Net cash (used in) financing activities (C)		**(5,653.19)**		**(2,117.58)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**64.85**		**(161.39)**
Cash and cash equivalents at the beginning of the year		1,067.03		1,228.42
Cash and cash equivalents at the end of the year (refer note 12)		**1,131.88**		**1,067.03**

The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7, 'Statement of Cash flow'.

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Consolidated Statement of Changes in Equity

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	Balance as at April 1, 2019	Changes during the year FY 19-20	Balance as at March 31, 2020	Changes during the year FY 20-21	Balance as at March 31, 2021
(a) Equity share capital (refer note 14)					
Equity share capital	1,374.93	5.83	1,380.76	-	**1,380.76**

(b) Other equity (refer note 15)

Particulars	Attributable to owners of the Holding Company									Non -controlling interests	Total
	Reserves and surplus					Legal reserve	Treasury shares	Foreign currency translation reserve	Total		
	Securities premium	General reserve	Share options outstanding account	Retained earnings	Cash flow hedging reserve						
Balance as at April 1, 2019	**4,173.44**	**517.90**	**96.63**	**13,974.49**	**0.47**	**-**	**(218.21)**	**12.43**	**18,557.15**	**466.74**	**19,023.89**
Profit for the year	-	-	-	3,317.95	-	-	-	-	3,317.95	340.21	3,658.16
Other comprehensive income for the year											
Remeasurement of the net defined benefit obligation, net of tax	-	-	-	(2.73)	-	-	-	-	(2.73)	-	(2.73)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	(52.68)	-	-	-	(52.68)	-	(52.68)
Foreign currency translation reserve, net of tax	-	-	-	-	-	-	-	266.83	266.83	(0.22)	266.61
Total comprehensive income for the year	**-**	**-**	**-**	**3,315.22**	**(52.68)**	**-**	**-**	**266.83**	**3,529.37**	**339.99**	**3,869.36**
Amount transferred to legal reserve	-	-	-	(62.82)	-	62.82	-	-	-	-	-
Adjustment on adoption of Ind AS-116 (refer note 17)	-	-	-	(61.72)	-	-	-	-	(61.72)	-	(61.72)
Transactions with owners in their capacity as owners											
Transfer from share option outstanding account on exercise of options (refer note 44)	96.63	-	(96.63)	-	-	-	-	-	-	-	-
Equity dividend paid (including tax thereon) (refer note 35)	-	-	-	(206.51)	-	-	-	-	(206.51)	(286.80)	(493.31)
Interim equity dividend paid (including tax thereon) (refer note 35)	-	-	-	(504.12)	-	-	-	-	(504.12)	-	(504.12)
Acquisition of treasury shares	-	-	-	-	-	-	(236.72)	-	(236.72)	-	(236.72)
Effect of change in group's interest	-	-	-	62.88	-	-	-	(2.90)	59.98	-	59.98
Balance as at March 31, 2020	**4,270.07**	**517.90**	**-**	**16,517.42**	**(52.21)**	**62.82**	**(454.93)**	**276.36**	**21,137.43**	**519.93**	**21,657.36**

Consolidated Statement of Changes in Equity

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	Attributable to owners of the Holding Company									Non -controlling interests	Total
	Reserves and surplus					Legal reserve	Treasury shares	Foreign currency translation reserve	Total		
	Securities premium	General reserve	Share options outstanding account	Retained earnings	Cash flow hedging reserve						
Balance as at April 1, 2020	**4,270.07**	**517.90**	**-**	**16,517.42**	**(52.21)**	**62.82**	**(454.93)**	**276.36**	**21,137.43**	**519.93**	**21,657.36**
Profit for the year	-	-	-	5,248.15	-	-	-	-	5,248.15	434.80	5,682.95
Other comprehensive income for the year											
Remeasurement of the net defined benefit obligation, net of tax	-	-	-	(2.71)	-	-	-	-	(2.71)	-	(2.71)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	33.01	-	-	-	33.01	-	33.01
Foreign currency translation reserve, net of tax	-	-	-	-	-	-	-	170.55	170.55	(52.41)	118.14
Total comprehensive income for the year	**-**	**-**	**-**	**5,245.44**	**33.01**	**-**	**-**	**170.55**	**5,449.00**	**382.39**	**5,831.39**
Transactions with owners in their capacity as owners											
Interim equity dividend paid (refer note 35 and 14(f))	-	-	-	(744.23)	-	-	-	-	(744.23)	-	(744.23)
Acquisition of treasury shares	-	-	-	-	-	-	(329.83)	-	(329.83)	-	(329.83)
Balance as at March 31, 2021	**4,270.07**	**517.90**	**-**	**21,018.63**	**(19.20)**	**62.82**	**(784.76)**	**446.91**	**25,512.37**	**902.32**	**26,414.69**

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2021

Note 1 - Corporate information, statement of compliance with Ind AS, basis of preparation and summary of significant accounting policies

(A) Corporate Information

Gravita India Limited (the 'Holding Company') is a public limited Company domiciled and incorporated under the provisions of the Companies Act, 1956 applicable in India. The Holding Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Holding Company is situated at "Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura Road, Tehsil-Phagi, Jaipur-303904 and having principal place of business in Jaipur (Rajasthan), Gujarat, Chittoor (Andhra Pradesh), Kathua (Jammu and Kashmir), Mirigama (Sri Lanka), Mozambique, Tanzania, Ghana and Senegal (East Africa). Gravita India Limited together with its subsidiaries and associate is hereinafter referred to as "Group".

The Principal activities of the Group are - Lead processing, aluminium processing, trade (Lead products and aluminium scrap) and dealing in Turn-key lead recycling projects. The Holding Company carries out smelting of lead battery scrap / Lead concentrate to produce secondary Lead metal, which is further transformed into Pure Lead, Specific Lead Alloy, Lead Oxides (Lead sub-oxide, Red Lead, and Litharge) and Lead products like Lead sheets, Lead powder, Lead shot etc. Further, Holding Company has also entered in the PET product manufacturing.

The financial statements are presented in Rs. Lacs, which is also the functional currency of the Holding Company.

These consolidated financial statements for the year ended March 31, 2021 are approved and adopted by the Board of Directors in their meeting held on May 19, 2021. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

(B) Statement of compliance with Ind AS and basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 and other related provisions of the act.

The consolidated financial statements have been prepared on accrual and going concern basis. The Group has uniformly applied the accounting policies during the period presented in the consolidated financial statements.

The consolidated financial statements have been prepared under historical cost convention basis except for the following –

• Certain financial assets which are measured at fair value.

• Defined benefit plans – plan assets measured at fair value.

Further, certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

(C) Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profit/ (loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of March 31, 2021.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's Statement of Profit and Loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Holding Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Associate

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated Statement of Profit and Loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associate are eliminated to the extent of the Group's interest in these entities.

(D) Significant accounting policies

I. Current versus non-current classification

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

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

II. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition or construction. Following initial recognition, property plant and equipment are carried at cost less any accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method computed on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Group:

Summary of the significant accounting policies and other explanatory information *(Contd.)*
For the year ended March 31, 2021

Tangible assets	Useful life
Buildings – factory and non-factory	5 - 60 years
Plant and equipment	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Computer and accessories	3- 6 years
Office equipment	5 years

Freehold land is measured at cost and is not depreciated.

Property, plant and equipment costing upto Rs. 5,000 each are fully depreciated in the year of purchase

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised 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 income statement when the asset is derecognised.

Capital work-in-progress are assets which are not yet ready for their intended use; and are carried at cost comprising direct cost, related incidental expenses and attributable interest.

III. Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (amortisation and useful lives)

All finite-lived intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Intangible Assets	Useful life (in years)
Software	3-5 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

IV. Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

To determine value-in-use, management estimates expected future cash flows from each cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

V. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use. Borrowing costs consist of interest calculated using the effective interest method that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

VI. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition. The basis of determination of cost is as follows:

- Raw materials and stores and spares include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- Work-in-progress valued at cost of input valued at moving weighted average basis plus overheads up till the stage of completion
- Finished goods are valued at cost of input valued at moving weighted average basis plus appropriate overheads.
- Traded goods include purchase cost and other overheads incurred to bring the goods to their present location.
- By-products are valued at estimated realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision for obsolescence and slow-moving inventory is made based on management's best estimates of net realisable value of such inventories.

VII. Foreign Currency transactions and translations

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (Rs.) and are rounded to two decimal places of lacs, which is also the Holding Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items as at reporting date are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation of foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date and the equity is translated at historical rate. Fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Indian Rupee at the closing rate. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to the Statement of Profit or Loss and are recognized as part of the gain or loss on disposal.

VIII. Leases

For any new contracts entered on or after April 1st, 2019, the group considers 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.

Where the Group is the lessee

The Group's lease asset classes primarily consist of leases for land, buildings and equipment. The Group assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Group has substantially all of the economic benefits from use of the asset throughout the period of the lease and;

(iii) the Group has the right to direct the use of the asset.

The Group at the commencement of the lease contract recognizes a right-of-use asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, if any. The right-of-use asset are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

IX. 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. The fair value measurement is based on the presumption 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 or the most advantageous market must be accessible by 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.

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 financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

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 the fair value hierarchy as explained above.

X. Revenue Recognition

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Sale of products (including scrap sales and service income):

Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Income in respect of service contracts are recognised in Statement of Profit and Loss on completion of performance obligation.

Revenue is measured at fair value of consideration received or receivables and are accounted for net of returns, rebates and trade discount. Sales, as disclosed, are exclusive of goods and services tax.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year.

The transaction price is allocated by the Group to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Job Work Income:

Revenue from job work services is recognised based on the services rendered in accordance with the terms of contracts.

Export Incentive:

Income from export incentives such as duty drawback is recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Dividend income:

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

XI. Financial Instruments

Initial measurement

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

a. **Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:

   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

b. Financial assets at fair value

- **Derivative assets** - All derivative assets are measured at fair value through profit and loss (FVTPL).
- **Investments in equity instruments**– All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss account.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the Statement of Profit and Loss.

All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 'Financial Instruments' and the amount recognized less cumulative amortization.

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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

XII. Hedge accounting

The Group designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

XIII.Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The Group uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on Group's historical collection experience for customers and forecast of macro-economic factors.

The Group defines default as an event when the financial asset is past due for more than 180 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

The Group writes off trade receivables when there is no objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

XIV. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year 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 of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

XV.Post-employment, long term and short term employee benefits

The Group provides post-employment benefits through various defined contribution and defined benefit plans.

Defined Contribution plan

The Group makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Defined benefit plan

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized in the other comprehensive income for the period in which they occur and are not reclassified to profit or loss.

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Short term employee benefit

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

XVI. Share based payments

Employees of the Group receive remuneration in the form of share-based payments in consideration of the services rendered, under "Gravita ESOP 2011 scheme" and "Gravita Stock Appreciation Rights Scheme 2017".

Equity settled share-based payments

Under the equity settled share-based payment, the fair value of options granted is recognized as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

Cash settled share-based payments

The Group has formed Gravita Employee Welfare Trust, for administration of Stock Appreciation Rights Scheme 2017 of the Group. The Trust buy shares of the Holding Company from the market, for granting them to its employees and are treated as treasury shares. Own equity instruments ("treasury shares") which are reacquired through Gravita Employee Welfare Trust are recognized at cost and deducted from equity. No gain or loss is recognized in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group own equity instruments.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

XVII. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

XVIII. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

XIX. Taxes

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 appropriate.

Deferred tax

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised 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 items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax ('MAT') credit is recognized as an asset only when and to the extent it is probable that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Group will pay normal income tax during the specified period.

XX. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

XXI. Dividend payment

A final dividend, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, is recorded as a liability on the date of declaration by the Board of directors.

XXII. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments:

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the Board of Directors which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items:

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue, expenses, assets and liabilities.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

XXIII. Government grants

Income includes export and other recurring and non-recurring incentives from Government (referred as "incentives'). Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. The Group is entitled to subsidies from government in respect of manufacturing units located in specified regions.

Government grants are recognised when there is a reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. These are recognised in the Statement of Profit and Loss, either on a systematic basis when the Group recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Group are recognised as income in the period in which the grant is received.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

XXIV. Use of estimates and judgement

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Group's accounting policies and that may have the most significant effect on the amounts recognised in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. **Useful lives of depreciable/ amortisable assets:** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

b. **Evaluation of indicators for impairment of assets:** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c. **Allowance for expected credit loss:** The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Group has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

d. **Allowance for obsolete and slow-moving inventory:** The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the financial statements.

e. **Contingent liabilities:** The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

f. **Provisions:** At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

g. **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Group reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

h. **Income Taxes:** Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions (refer note 33). The extent to which deferred tax assets/minimum alternate tax credit can be recognized is based on management's assessment of the probability of the future taxable income against which the deferred tax assets/minimum alternate tax credit can be utilized.

i. **Defined benefit obligations (DBO):** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

j. **Fair value measurements:** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and share based payments. This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to consolidated financial statements.

k. **Recoverability of advances / receivables:** At each balance sheet date, based on historical default rates observed over expected life, the Management assesses the expected credit losses on outstanding receivables and advances.

XXV. Recent accounting pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of Benami property held etc.

Statement of Profit and Loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

2. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Office equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Gross carrying amount								
As at April 1, 2019	**1,133.25**	**5,707.16**	**6,902.79**	**580.42**	**127.04**	**217.01**	**1,057.34**	**15,725.01**
Additions during the year	41.39	1,839.82	3,041.94	63.95	8.71	69.87	12.29	5,077.97
Disposals/ adjustments	(98.48)	(88.14)	(363.28)	(8.64)	(11.99)	(10.93)	(89.17)	(670.63)
Foreign currency translation differences	14.93	70.48	207.58	3.03	0.93	1.56	14.27	312.78
As at March 31, 2020	**1,091.09**	**7,529.32**	**9,789.03**	**638.76**	**124.69**	**277.51**	**994.73**	**20,445.13**
Additions during the year	82.08	233.61	1,235.53	41.00	18.32	8.17	438.55	2,057.26
Disposals/ adjustments	-	(81.40)	(841.12)	(15.52)	(3.90)	(2.77)	(68.25)	(1,012.96)
Foreign currency translation differences	(12.63)	(94.24)	(256.37)	(3.26)	(0.60)	4.24	(9.31)	(372.17)
As at March 31, 2021	**1,160.54**	**7,587.29**	**9,927.07**	**660.98**	**138.51**	**287.15**	**1,355.72**	**21,117.26**
Accumulated depreciation								
As at April 1, 2019	**-**	**367.80**	**1,259.12**	**118.61**	**78.04**	**40.74**	**302.59**	**2,166.90**
Charge for the year	-	263.74	974.26	81.98	23.99	28.88	147.60	1,520.45
Disposals/ adjustments	-	(14.27)	(150.07)	(4.55)	(9.44)	(3.99)	(37.97)	(220.29)
Foreign currency translation differences	-	3.47	102.80	0.63	0.35	0.33	5.57	113.15
As at March 31, 2020	**-**	**620.74**	**2,186.11**	**196.67**	**92.94**	**65.96**	**417.79**	**3,580.21**
Charge for the year	-	292.30	1,187.66	110.69	14.82	31.64	145.56	1,782.67
Disposals/ adjustments	-	(9.17)	(256.54)	(7.59)	(3.52)	(1.41)	(21.56)	(299.79)
Foreign currency translation differences	-	(5.52)	(69.11)	(1.17)	0.33	(0.08)	(10.84)	(86.39)
As at March 31, 2021	**-**	**898.35**	**3,048.12**	**298.60**	**104.57**	**96.11**	**530.95**	**4,976.70**
Net carrying value								
As at March 31, 2020	**1,091.09**	**6,908.58**	**7,602.92**	**442.09**	**31.75**	**211.55**	**576.94**	**16,864.92**
As at March 31, 2021	**1,160.54**	**6,688.94**	**6,878.95**	**362.38**	**33.94**	**191.04**	**824.77**	**16,140.56**

(i) Refer note 16 for details of property plant and equipment mortgaged as security with banks/ financial institutions.

(ii) Refer note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3. Capital work-in-progress

Particulars	Balance as at April 1, 2019	Net movement during the year	Balance as at March 31, 2020	Net movement during the year	Balance as at March 31, 2021
Capital work-in-progress	4,622.48	(3,157.86)	1,464.62	(115.37)	**1,349.25**

(i) Refer note 16 for details of capital work-in-progress mortgaged as security with banks/ financial institutions.

(ii) Refer note 30 for information on depreciation capitalised during the year.

(Amounts in ₹ lacs)

4. Right-of-use assets

Particulars	Land	Buildings	Plant and machinery	Total
Gross carrying amount				
As at April 1, 2019	-	-	-	-
Additions during the year	928.15	621.66	237.03	1,786.84
Disposals/ adjustments	(8.11)	(235.69)	(55.49)	(299.29)
Foreign currency translation differences	1.77	15.17	-	16.94
As at March 31, 2020	**921.81**	**401.14**	**181.54**	**1,504.49**
Additions during the year	10.24	40.52	-	50.76
Disposals/ adjustments	-	-	-	-
Foreign currency translation differences	(4.15)	(18.82)	-	(22.97)
As at March 31, 2021	**927.90**	**422.84**	**181.54**	**1,532.28**
Accumulated depreciation				
As at April 1, 2019	-	-	-	-
Charge for the year	31.72	171.47	54.45	257.64
Disposals/ adjustments	(1.93)	-	-	(1.93)
Foreign currency translation differences	1.93	3.49	-	5.42
As at March 31, 2020	**31.72**	**174.96**	**54.45**	**261.13**
Charge for the year	33.64	132.89	54.45	220.98
Disposals/ adjustments	-	-	-	-
Foreign currency translation differences	(0.20)	(6.44)	-	(6.64)
As at March 31, 2021	**65.16**	**301.41**	**108.90**	**475.47**
Net carrying value				
As at March 31, 2020	890.09	226.18	127.09	1,243.36
As at March 31, 2021	**862.74**	**121.43**	**72.64**	**1,056.81**

(i) Refer note 16 for details of leasehold land mortgaged as security with banks/ financial institutions.

5. Other intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2019	**200.16**	**200.16**
Additions during the year	-	-
Disposals/ adjustments	-	-
Foreign currency translation differences	(0.01)	(0.01)
As at March 31, 2020	**200.15**	**200.15**
Additions during the year	9.50	9.50
Disposals/ adjustments	(6.47)	(6.50)
Foreign currency translation differences	(0.02)	(0.02)
As at March 31, 2021	**203.17**	**203.17**
Accumulated amortisation		
As at April 1, 2019	**106.62**	**106.62**
Charge for the year	37.74	37.74
Disposals/ adjustments	-	-
Foreign currency translation differences	0.02	0.02
As at March 31, 2020	**144.38**	**144.38**
Charge for the year	26.48	26.48
Disposals/ adjustments	(6.29)	(6.29)
Foreign currency translation differences	0.02	0.02
As at March 31, 2021	**164.59**	**164.59**
Net carrying value		
As at March 31, 2020	**55.77**	**55.77**
As at March 31, 2021	**38.58**	**38.58**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

6. Non-current investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in equity instruments of associate (unquoted) (carried at cost)		
Pearl Landcon Private Limited Share of face value of Rs. 10 each (previous year: Rs. 10 each)	0.50	0.50
(Loss)/ profit share from associate accounted through equity method	(0.24)	0.81
Total (a)	**0.26**	**1.31**
Investment in government securities (unquoted) (carried at amortised cost)		
National saving certificate	0.06	0.06
Total (b)	**0.06**	**0.06**
Total non-current investments (C) = (a + b)	**0.32**	**1.37**
Aggregate amount of unquoted investments	0.32	1.37

(i) Refer note 41 and 42 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

7. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current (unsecured, considered good)		
Security deposits	332.54	293.94
Total	**332.54**	**293.94**
Current (unsecured, considered good)		
Security deposits	33.33	27.79
Loans given	245.00	100.00
Total	**278.33**	**127.79**

(i) Refer note 16 for hypothecation as securities with bank/ financial institutions on current loans.

(ii) Refer note 41 and 42 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

8. Others financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deposits with bank (with remaining maturity more than 12 months)(i)	8.96	2.01
Total	**8.96**	**2.01**
Current		
Derivatives designated at fair value through profit or loss		
- For forward contracts(iv)	475.89	1,263.72
Receivable for sale of investment (refer note 32)	-	185.00
Other recoverable	92.03	39.80
Total	**567.92**	**1,488.52**

(i) Represents lien with banks and financial institution and are restricted from being exchanged or used to settle a liability.

(ii) Above mentioned Other current financial assets have been hypothecated as securities with banks/ financial institutions, refer note 16 for details.

(iii) Refer note 41 and 42 for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

(Amounts in ₹ lacs)

(iv) Details of balance against derivative contracts

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Margin money	74.40	1,870.25
Effect of marked to market on open contracts	401.49	(606.53)
Total	**475.89**	**1,263.72**

9. Other current assets

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Non-current (Unsecured, considered good)		
Capital advances	413.54	23.97
Prepaid expenses	8.01	21.58
Balance with government authorities	207.54	422.03
Total	**629.09**	**467.58**
Current (Unsecured, considered good)		
Advances to vendors	4,957.52	4,058.08
Advances to employees	209.00	85.71
Prepaid expenses	165.98	126.03
Balance with government authorities	3,169.51	3,853.63
Total	**8,502.01**	**8,123.45**

(i) Refer note 16 for hypothecation as securities with bank/ financial institutions on other current assets.

10. Inventories

(At lower of cost and net realisable value)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Raw materials	10,005.95	5,034.30
Raw materials - goods-in-transit	5,483.98	5,983.90
Work-in-progress	8,945.57	5,003.56
Finished goods (other than those acquired for trading)	3,485.76	2,783.79
Finished goods - goods-in-transit	5,679.41	1,989.43
Traded goods	81.99	167.56
Stores and spares	1,509.19	1,016.06
Consumables	578.04	457.38
Total	**35,769.89**	**22,435.98**

(i) Refer note 16 for hypothecation as securities with bank/ financial institutions on inventories.

11. Trade receivables

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Unsecured		
Trade receivables - considered good	5,937.92	6,752.55
Trade receivables - credit impaired	223.94	373.16
Less: allowance for expected credit losses	(223.94)	(373.16)
Total	**5,937.92**	**6,752.55**

(i) Refer note 16 for hypothecation as securities with bank/ financial institutions on trade receivables

(ii) Refer note 41 for disclosure of fair values in respect of financial assets measured at amortised cost.

(iii) Refer note 42 for details of expected credit loss for trade receivables under simplified approach.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

12. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	810.97	901.31
- in deposit accounts with original maturity upto 3 months	-	6.37
Cash on hand	50.36	76.65
Cheques on hand	270.55	82.70
Total	**1,131.88**	**1,067.03**

(i) Refer note 16 for hypothecation as securities with bank/ financial institutions on cash and cash equivalents

13. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks in current accounts		
- Unclaimed dividend account[i]	6.14	6.48
Balance held as margin money against borrowings (with original maturity more than 3 months but remaining maturity less than 12 months)[ii]	594.42	641.65
Deposits with banks (with original maturity more than 3 months but remaining maturity less than 12 months)[ii]	253.31	316.39
Total	**853.87**	**964.52**

(i) These balances are not available for use by the Group and corresponding balance is disclosed as unclaimed dividend under the head "Other current financial liabilities.

(ii) includes interest accrued but not due.

(iii) Refer note 16 for hypothecation as securities with bank/ financial institutions on bank balances other than cash and cash equivalents.

14. Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 2 each	7,50,00,000	1,500.00	7,50,00,000	1,500.00
	7,50,00,000	**1,500.00**	**7,50,00,000**	**1,500.00**
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	6,90,37,914	1,380.76	6,90,37,914	1,380.76
Total	**6,90,37,914**	**1,380.76**	**6,87,46,714**	**1,380.76**

(a) Changes in equity share capital during the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares with voting rights				
Balance as at the beginning of the year	6,90,37,914	1,380.76	6,87,46,714	1,374.93
Add: shares issued during the year (ESOP)	-	-	**2,91,200**	**5.83**
Closing at the end of the year	**6,90,37,914**	**1,380.76**	**6,90,37,914**	**1,380.76**

(Amounts in ₹ lacs)

(b) Terms/ rights attached to equity shares

The Holding Company has only one class of shares having a face value of Rs. 2 per share. Each equity shareholder is entitled to one vote per share held. The Holding Company declares and pays dividends in Indian Rupees. The final dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

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 payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholder holding more than 5 percent shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
Mr. Rajat Agrawal	3,30,49,265	47.87	3,27,12,264	47.38
Agrawal Family Private Trust	1,73,48,025	25.13	1,73,48,025	25.13

(d) During the five years immediately preceding March 31, 2021, the Holding Company has neither allotted any bonus shares nor have any shares been bought back.

(e) No shares has been issued for consideration other than cash in the current reporting year and in last five years immediately preceding the current reporting year.

(f) Dividend

The Board of Directors of the Holding Company, in its meeting held on January 28, 2021, have recommended an interim dividend of Rs 1.10 per equity share of Rs. 2 each amounting to Rs. 744.23 lacs for the financial year ended March 31, 2021, which was transferred to a separate bank account on February 1, 2021. Refer Note 35 for details

15. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium	4,270.07	4,270.07
General reserve	517.90	517.90
Retained earnings	21,018.63	16,517.42
Cash flow hedging reserve	(19.20)	(52.21)
Legal reserve	62.82	62.82
Treasury shares	(784.76)	(454.93)
Foreign currency translation reserve	446.91	276.36
Total	**25,512.37**	**21,137.43**

Description of nature and purpose of each reserve

Security premium

The security premium is the amount paid by shareholder over and above the face value of equity share. Security premium can be utilised as per the provisions of the Companies Act, 2013."

General reserve

The general reserve is created on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Retained earnings

Retained earnings represents surplus in Statement of Profit and Loss.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of Profit and Loss in the period in which the hedged transaction occurs.

Foreign currency translation reserve

The Group recognises exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to Statement of Profit and Loss on disposal of foreign operation.

Treasury shares

Treasury shares represent Holding Company's own equity shares held by the Gravita Employee Welfare Trust [a trust set up for administration of Stock Appreciation Rights Scheme 2017 of the Holding Company].

Legal reserve

Gravita Mozambique LDA shall create a legal reserve of 5% of the profits of the accounting year. The reserve balance at any time shall not exceed 20% of the share capital of Gravita Mozambique LDA.

16. Borrowings[A]

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrowings[B]		
Secured		
Term loans		
- From bank	5,397.04	4,803.16
- from institutions other than banks	2,490.58	1,271.73
Vehicle Loan	322.27	83.38
Less: Loan processing fees	(123.60)	(131.80)
	8,086.29	**6,026.47**
Less: Current maturities disclosed under other financial liabilities (refer note 22)	(2,961.88)	(1,736.20)
Total	**5,124.41**	**4,290.27**
Current borrowings[C]		
Secured loans - from banks		
Cash credit / overdraft	4,022.39	11,906.60
Packing credit	8,135.81	2,110.71
Buyers credit	2,223.98	1,480.20
Suppliers credit	150.55	-
Working capital demand loan	2,998.43	5,631.45
Unsecured loans - others		
From institutions other than banks	-	100.00
Total	**17,531.16**	**21,228.96**

A. There is no default in repayment of principal repayment or interest thereon.

B. Repayment terms and security disclosure for the outstanding non-current borrowings (including current maturities) are as follows:

i. Vehicle loans

a. Vehicle loan from banks of Rs. 322.27 lacs (March 31, 2020: Rs. 83.38 lacs) carry interest ranging from 4.63% p.a. to 9.90% p.a. (Previous year: 4.63% p.a. to 9.90% p.a.) The loans are secured by way of hypothecation of vehicles and repayable in equal monthly installments over a period of 31 to 84 months.

(Amounts in ₹ lacs)

ii. Term loans from bank

a. ICICI Term Loan of Rs. 1,306.84 lacs (March 31, 2020: Rs. 1,827.86 lacs) @ 4.47% p.a. (Previous year: 4.47% p.a.). The loan is repayable in 16 quarterly installments commencing from February 2020 and ending in November 2023. The loan is secured by way of following:

a) Exclusive charge on industrial Land, Building and Other Assets located at Plot No. PA-011-006,SEZ, Village Kalwara, Tehsil Sanganer, Jaipur of the Holding Company.

b) Personal guarantee of Managing Director Mr. Rajat Agrawal.

b. Corporate loan-I of Rs. Nil (March 31, 2020 Rs. 119.13 lacs) with currency swing option @ 6 months @ LIBOR +3.25% p.a. (Previous year: LIBOR +3.25% p.a.) on fully hedged basis. The loan is repaid in full and was secured by way of following:

(a) First parri-passu charge over the entire current assets of the Holding Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc. and book debts (both present and future).

(b) Second charge over the entire fixed assets of the Holding Company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-2) excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of Survey no. 233/15 to 233/30, Tiruthani Road, Ananthapuram-panchayat, Narasingharayani Pettah - Post Chittoor, Andhra Pradesh, Chittoor plant of the Holding Company.

c. Corporate loan II of Rs. Nil (March 31, 2020: Rs. 83.72 lacs) with currency swing option @ 6 months @ LIBOR +3.25% p.a. (Previous year: LIBOR +3.25% p.a.) on fully hedged basis. The loan is repaid in full and was secured by way of following:

(a) First pari-passu over the entire fixed assets of the Holding Company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-2) excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of asset situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh Chittoor plant of the Holding Company.

(b) First pari-passu charge by way of equitable mortgage of flat no. 203, on first floor in Rajputana Tower situated at plot no , A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.

(c) First pari-passu charge by way of equitable mortgage of land and house HIG, SFS Block 3, plot no 90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (Related Party).

(d) Second charge over the entire current assets of the Holding Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc. and book debts (both present and future).

d. PNB term loan of Rs. 41.05 lacs (March 31, 2020: Rs. 789.71 lacs) @ 9.45% p.a. to 10.30% p.a. (Previous year: 9.45% p.a.). The loan is repayable in 22 quarterly installments commencing from October 2017 and ending in January 2023. The loan is secured by way of following:

(a) First pari-passu charge on the entire block assets present and future of the Chittoor plant of the Holding Company.

(b) Second pari-passu charge on following Immovable Properties: Land and Building at Jaychand Ka Bas Harsulia Mod Diggi Malpura Road, Phagi, Jaipur Kasara no. 209/1/5/3, 209/1/4/1, 209/1/5/1 and 209/1/5/2. Flat no. 203, 302, 401 and 403 located in Rajputana Tower situated at plot no , A-27-B, Tilak Nagar, Shanti Path, Jaipur;

(c) Residential Land & H No. 3/90, Mansarovar, Jaipur.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(d) Personal guarantee of Managing Director Mr. Rajat Agrawal.

(e) Corporate guarantee of M/s Gravita Impex Private Limited (Related Party).

e. Bandhan Bank term loan of Rs. 732.05 lacs (March 31, 2020: Rs. 982.74 lacs) @ 10.50% p.a. (Previous year: 10.50% p.a.). The loan is repayable in 48 monthly installments commencing from March 2020 and ending in February 2024. The loan is secured by way of following:

(a) First Pari-passu charge by way of Hypothecation over moveable fixed assets of Holding Company at Chittoor Plant situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

(b) First Pari-passu charge by way of mortgage over moveable industrial property in the name of Holding Company situated at situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

(c) Personal guarantee of Managing Director Mr. Rajat Agrawal.

f. Bandhan Bank term loan of Rs. 770.85 lacs (March 31, 2020: Rs. 1,000.00 lacs) @ 10.50% p.a. (Previous year: 10.50% p.a.). The loan is repayable in 48 monthly installments commencing from May 2020 and ending in March 2024. The loan is secured by way of following:

(a) First Pari-passu charge by way of Hypothecation over moveable fixed assets of Holding Company at Chittoor Plant situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

(b) First Pari-passu charge by way of mortgage over moveable industrial property in the name of Holding Company situated at situated at Survey No. 233/15 to 233/30 Tiruthani Road, Ananthapuram-Panchayat Narasingharayani Post Chittoor, Andhra Pradesh with Punjab National Bank.

(c) Personal guarantee of Managing Director Mr. Rajat Agrawal.

g. Covid Loan of Rs. 1,654.21 lacs (March 31, 2020: Rs Nil) @ 6.90% p.a. to 8.00% p.a. The loan is for 24 months with 6 month moratorium and repayable in 18 monthly installments commencing from January 2021. The loan will be secured over the all exiting primary and collateral security (mentioned in note 16(C) below) held with consortium of bankers of the Holding Company.

h. PNB GECL Loan of Rs. 892.04 lacs (including interest of Rs. 6.04 lacs) (March 31, 2020: Rs Nil) @ 8.35% p.a. The loan is for 60 months with 12 months moratorium and repayable in 48 monthly installments commencing from January 2022 and ending in January 2026. The loan granted under GECL shall rank second charge with the existing credit facilities in terms of cash flows (including repayments) and security, with charge on the assets financed under the scheme to be created on or before June 30, 2021 or date of NPA, whichever is earlier.

iii. Term loans from institutions other than banks

a. TATA term loan of Rs. 947.25 lacs (March 31, 2020: Rs. 551.73 lacs) @ 10.50% p.a. (Previous year: 10.50% p.a.). The loan is repayable in 60 monthly installments commencing from February 2020 and ending in December 2025. The loan is secured by way of following:

(a) First Pari-passu charge shared by ICICI Bank by way of Hypothecation over moveable fixed assets of Holding Company and at Plot No. PA-011-006, Mahindra Sez, Village Kalwara, Tehsil Sanganer Distt-Jaipur of the Holding Company.

(b) First Pari passu Charge shared by ICICI Bank by way of mortgage over industrial property situated at Plot No. PA-011-006, Mahindra Sez, Village Kalwara, Tehsil Sanganer Distt-Jaipur of the Holding Company.

(c) Personal guarantee of Managing Director Mr. Rajat Agrawal.

b. Bajaj term loan of Rs. 560.00 lacs (March 31, 2020: Rs. 720.00 lacs) @ 10% p.a. to 10.15% p.a. (Previous year: 10% p.a.). The loan is repayable in 60 monthly installments commencing from October 2019 and ending in September 2024. The loan is secured by way of personal guarantee of Managing Director Mr. Rajat Agrawal.

(Amounts in ₹ lacs)

The loan will be further secured by way of following:

(a) First Pari passu charge over movable fixed assets of the Holding Company (both present and future) excluding the assets situated at Chittoor and SEZ unit.

(b) First Pari passu charge over entire current assets of the Holding Company.

(c) First pari-passu charge over land and building of the Holding Company situated at Phagi Jaipur.

(d) First pari-passu charge by way of mortgage over Flat No. 302, 403, 401 in Rajputana Tower situated at plot no. A27B, Shanti Path, Tilak Nagar Jaipur in the name of the Holding Company.

(e) First pari-passu charge by way of mortgage over Flat No. 203 in Rajputana Tower situated at plot no. A27B, Shanti Path, Tilak Nagar Jaipur in the name of Mr. Rajat Agrawal.

(f) First pari-passu charge by way of mortgage over land & house HIG, SFS block 3, plot 90, Mansarovar, Jaipur of Gravita Impex Private Limited

(g) Corporate guarantee of M/s Gravita Impex Private Limited (only for Term Loan and PBD Limits).

c. Bajaj term loan of Rs. 983.33 lacs (March 31, 2020: Rs. Nil) @ 9.00% p.a. The loan is repayable in 60 monthly installments commencing from March 2021 and ending in February 2026. The loan will be secured by way of following:

(a) First pari-passu charge on the entire block of fixed assets present and future of the Chittoor plant of the Holding Company.

(b) Personal guarantee of Managing Director Mr. Rajat Agrawal.

C. Security disclosure for the outstanding current borrowings are as follows:

i. The Group's current borrowings facilities have an effective weighted-average contractual rate of 2.27 % p.a. to 10.40% p.a. (March 31, 2020 : 4.19 % p.a. to 10.65% p.a.) calculated using the interest rates effective for the respective borrowings as at reporting dates.

Loans from banks are secured by way of:

(a) First pari-passu charge over the entire current assets of the Holding Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc and book debts (both present and future).

(b) Hypothecation of receivables and all kind of stocks of raw material, semi finished goods, finished goods consumables including stocks in transit in the name of M/s Gravita Metal Inc

(c) First pari-passu charge on the entire fixed assets of the Holding Company both present and future, excluding vehicles and entire assets situated at Plot No. P.A. 011-006, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of Survey no. 233/15 to 233/30, Tiruthani Road, Ananthapuram-panchayat, Narasingharayani Pettah - Post Chittoor, Andhra Pradesh, but including the following:

(i) Flat no. 302, 401, 403 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur.

(ii) Land and building at Jai Chand ka Bas, Diggi Malpura Road, Phagi, Jaipur.

(d) First pari-passu charge on the following other assets:

(i) Land and house at 3/90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (related party).

(ii) Flat no. 203 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.

(e) Personal guarantee of Managing Director Mr. Rajat Agrawal.

(f) Corporate guarantee of M/s Gravita Impex Private Limited (related party).

(g) Second pari passu charge on the fixed assets of Chittoor Plant.

(h) Corporate guarantee of M/s Noble Buildestate Private Limited (related party).

(i) Land and building situated at B-11A, Malviya Industrial area, Jaipur of Noble Buildestate Private Limited.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(j) Mortgage of leasehold rights of factory land measuring 2.50 kanals, bearing plot no. 25 & 26, situated at SICOP, Industrial Area, Kathua (J&K) in the name of M/s Gravita Metal Inc (related party).

(k) Hypothecation of plant and machinery and other fixed assets of the M/s Gravita Metal Inc (present & future) situated at SICOP, Industrial Area, Kathua (J&K)

(l) Mortgage of Flat along with Furniture and fixtures bearing No. 102, Rajputana Tower A27B Shanti Path Tilak Nagar Jaipur standing in the name of Gravita Infotech Limited (related party).

(m) Primary Mortgage over stock in trade, book debts, leasehold land, immovable plant and machinery situated at Plot No.27 A, Mirigama EPZ, Mirigama, Sri Lanka in the name of Navam Lanka Limited (related party).

(n) Corporate guarantee of Holding Company (Gravita India Limited) and Gravita Infotech Limited (related party).

(o) Corporate guarantee of Gravita Netherlands BV and Gravita Global Pte Limited (related party).

(p) First charge over all assets of Gravita Tanzania Limited (related party).

(q) Charge over all assets of Recyclers Ghana Limited (related party).

(r) Personal guarantee of subsidiaries director Mr. Mahesh Kumar Jangir and Mr. NareshKumar Khushalbhai Gohel.

D. Collateral:

Inventory, trade receivables, other current assets, other current financial assets, property, plant and equipment, capital work-in-progress with a net carrying amount of ₹ 64,044 lacs and ₹ 43,685 lacs are given as collateral/ security against the borrowings as at March 31, 2021 and March 31, 2020, respectively.

E. Refer note 41 and 42 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

17. Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current	323.73	454.01
Current	168.46	221.32
Total	**492.19**	**675.33**

i. Disclosures on lease pursuant to Ind AS 116 - Leases

The Group has leases for the factory lands, buildings, plant and machinery, etc. Also, the Group has a leasehold land at Jaipur and Sri Lanka.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases contain an option to extend the lease for a further term after mutual consent of both the parties. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of Right-of-use assets leased	Range of remaining term (in years)	Number of leases with extension options	Number of leases with termination options
Land	7	7.86-84.44	-	-
Plant and machinery	11	0.92-2.42	-	-
Building	10	0.25-4.76	-	-

(Amounts in ₹ lacs)

ii. The following are amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation expense of right-of-use assets	220.98	257.64
Interest expense on lease liabilities	67.34	80.52

iii. Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financial statements. The expense relating to payments not included in the measurement of the lease liability for short term leases is Rs. 288.78 lacs (Previous year: Rs. 376.13 lacs).

Total cash outflow for leases for the year ended March 31, 2021 was Rs. 590.02 lacs (Previous year: Rs. 694.20 lacs).

iv. Maturities of lease liabilities

The lease liabiltiies are secured by the related underlying assets. Future minimum lease payments were as follows:

Particulars	Lease payments	Interest expense	Net present values
March 31, 2021			
Not later than 1 year	207.46	39.00	168.46
Later than 1 year but not later than 5 years	250.27	86.01	164.26
Later than 5 years	258.20	98.73	159.47
Total	**715.93**	**223.74**	**492.19**
March 31, 2020			
Not later than 1 year	266.48	45.16	221.32
Later than 1 year but not later than 5 years	384.50	106.15	278.35
Later than 5 years	315.33	139.67	175.66
Total	**966.31**	**290.98**	**675.33**

v. Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost.

18. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current provisions for		
- Gratuity (refer note 43)	288.78	251.08
- Compensated absences (refer note 43)	74.41	76.69
- Other employee benefits	84.22	78.11
Total	**447.41**	**405.88**
Current provisions for		
- Gratuity (refer note 43)	38.73	35.60
- Compensated absences (refer note 43)	4.25	4.88
- Other employee benefits	4.83	2.27
Total	**47.81**	**42.75**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

19. Deferred tax liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liability arising on account of:		
Property, plant and equipment and other intangible assets	823.70	846.83
Incentive income	44.42	63.45
Foreign currency translation reserve	305.85	242.39
Other temporary differences	22.18	24.81
Gross deferred tax liabilities	**1,196.15**	**1,177.48**
Deferred tax asset arising on account of:		
Provision for employee benefits and other liabilities deductible on actual payment	136.65	153.97
Allowances for expected credit losses	78.25	193.84
Right-of-use assets and lease liabilities	13.54	9.16
Cash flow hedging reserve	10.30	28.03
Unrealised gain on unsold stock	307.39	124.80
Gross deferred tax assets	**546.13**	**509.80**
Minimum alternate tax (MAT) credit entitlement	**408.76**	**406.20**
Deferred tax liabilities (net)	**241.26**	**261.48**

No deferred tax asset has been recognised on unabsorbed tax losses and depreciation of Rs. 590.51 lacs (March 31, 2020: Rs. 506.75 lacs) pertaining to the indian subsidiaries of the Group for the accounting year, considering there is no probability which demonstrates realisation of deferred tax asset in the near future.

(ii) Deferred tax movements

Particulars	Opening balance	(Charge)/ credit in Statement of Profit and loss	(Charge)/ credit in other comprehensive income	Closing balance
For the year ended March 31, 2021				
Property, plant and equipment and other intangible assets	(846.83)	23.13	-	**(823.70)**
Incentive income	(63.45)	19.03	-	**(44.42)**
Foreign currency translation reserve	(242.39)	-	(63.46)	**(305.85)**
Provision for employee benefits and other liabilities deductible on actual payment	153.97	(18.77)	1.45	**136.65**
Allowances for expected credit losses	193.84	(115.59)	-	**78.25**
Right-of-use assets and lease liabilities	9.16	4.38	-	**13.54**
Cash flow hedging reserve	28.03	-	(17.73)	**10.30**
Unrealised gain on unsold stock	124.80	182.59	-	**307.39**
MAT credit entitlement	406.20	2.56	-	**408.76**
Other temporary differences	(24.81)	2.63	-	**(22.18)**
Total	**(261.48)**	**99.96**	**(79.74)**	**(241.26)**
For the year ended March 31, 2020				
Property, plant and equipment and other intangible assets	(746.85)	(99.98)	-	**(846.83)**
Incentive income	-	(63.45)	-	**(63.45)**
Foreign currency translation reserve	(99.19)	-	(143.20)	**(242.39)**
Provision for employee benefits and other liabilities deductible on actual payment	125.06	27.45	1.46	**153.97**

(Amounts in ₹ lacs)

(ii) Deferred tax movements *(Contd.)*

Particulars	Opening balance	(Charge)/ credit in Statement of Profit and loss	(Charge)/ credit in other comprehensive income	Closing balance
Allowances for expected credit losses	75.01	118.83	-	**193.84**
Right-of-use assets and lease liabilities	-	9.16	-	**9.16**
Cash flow hedging reserve	(0.26)	-	28.29	**28.03**
Unrealised gain on unsold stock	17.87	106.93	-	**124.80**
MAT credit entitlement	406.20	-	-	**406.20**
Other temporary differences	(8.32)	(16.49)	-	**(24.81)**
Total	**(230.48)**	**82.45**	**(113.45)**	**(261.48)**

(iii) There are unused minimum alternate tax credits as mentioned below which have not been recognized as an asset in the books of accounts in the absence of convincing evidence of utilization during the specified allowable period against the future taxable profits to be computed as per the normal provisions of the Income-tax Act, 1961:

Assessment year (AY) to which MAT credit pertains	Expiry date	March 31, 2021	March 31, 2020
2019-20	2034-35	395.19	395.19
2020-21	2035-36	549.62	549.62
2021-22	2036-37	340.32	-
		1,285.13	**944.81**

Assessment year (AY) to which unabsorbed losses pertains	Expiry date	March 31, 2021	March 31, 2020
2013-14	2021-22	-	2.22
2014-15	2022-23	16.79	16.79
2015-16	2023-24	104.12	104.12
2016-17	2024-25	20.14	20.14
2017-18	2025-26	72.82	72.82
2018-19	2026-27	0.11	0.11
2019-20	2027-28	43.89	43.89
2020-21	2028-29	77.79	77.79
2021-22	2029-30	75.17	-
		410.83	**337.88**

Assessment year (AY) to which unabsorbed depreciation pertains	March 31, 2021	March 31, 2020
Upto 2012-13	21.18	21.18
2013-14	25.28	25.28
2014-15	21.83	21.83
2015-16	25.46	25.46
2016-17	26.58	26.58
2017-18	20.30	20.30
2018-19	4.28	4.28
2019-20	12.80	12.80
2020-21	11.16	11.16
2021-22	10.81	-
	179.68	**168.87**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

20. Other liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred government grants[i] [refer note 23(ii)]	17.59	20.22
Total	**17.59**	**20.22**
Current		
Advance received from customers	984.52	142.33
Deferred government grants[i] [refer note 23(ii)]	1.75	1.76
Statutory dues payable	169.34	81.06
Other payables	223.81	375.39
Total	**1,379.42**	**600.54**

(i) Movement of deferred government grants

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	21.98	22.86
Released during the year	(2.64)	(0.88)
Received during the year	-	-
At the end of the year	**19.34**	**21.98**

21. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises[i]	29.76	146.12
Total outstanding dues of creditors other than micro and small enterprises[ii]	15,825.14	8,424.33
Total	**15,854.90**	**8,570.45**

(i). On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED Act, 2006') at the year end are mentioned below. The same has been relied upon by the auditors.

	Particulars	As at March 31, 2021	As at March 31, 2020
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year	29.76	146.12
ii	iInterest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.18	2.29
iii	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iv	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
v	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.18	2.29
vi	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

(Amounts in ₹ lacs)

(ii) Includes acceptances/ arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions, while the Group continues to recognise the liability till settlement with the banks/ financial institutions.

(iii) Refer note 41 and 42 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

22. Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current borrowings (refer note 16)	2,961.88	1,736.20
Interest accrued but not due on borrowings	35.56	23.17
Unclaimed dividends(i)	6.14	6.48
Other contractual payables to related parties	4.33	-
Creditors for capital goods	21.57	173.39
Others	4.28	3.17
Total	**3,033.76**	**1,942.41**

(i) As at March 31, 2021, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Holding Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

(ii) Refer note 41 and 42 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

23. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating revenue(i)		
Sale of products		
Manufactured/ Recycled goods	1,39,573.25	1,30,903.27
Traded goods	991.58	1,903.14
Sale of services	9.25	17.12
Other operating revenue		
Export incentives	110.50	120.91
Government grant(ii)	191.60	1,760.67
Job work income	26.85	12.99
Scrap sales	71.89	61.93
Total	**1,40,974.92**	**1,34,780.03**

i. Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

(a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2021 by Product type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue by product type:		
Lead	1,23,038.88	1,18,149.50
Aluminium	9,477.72	8,039.99
Turnkey Projects	295.79	882.35

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Plastics	7,730.96	5,636.36
Others	21.48	98.21
Revenue from sale of services	9.25	17.12
Total	**1,40,574.08**	**1,32,823.53**
Revenue by time:		
Revenue recognised at point in time	1,40,574.08	1,32,823.53
Total	**1,40,574.08**	**1,32,823.53**

(b) Trade receivables and contract balances

The Group present the right to consideration in exchange for sale of promised products/ service as Trade receivable in Financial statements. A receivable is a right to consideration that is unconditional upon passage of time. Trade receivable are presented net of impairment (if any) in the Balance Sheet. Further, impairment of bad and doubtful debts has been created based on expected credit loss method as prescribed in Ind AS 109. Refer note 42 for details of expected credit loss for trade receivables under simplified approach.

(c) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	142.33	297.19
Net movement during the year	842.19	(154.86)
Balance at the end of the year	**984.52**	**142.33**

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract price	1,40,769.24	1,33,205.31
Less: discount, rebates, credits etc.	195.16	381.78
Revenue from operations as per Statement of Profit and Loss	1,40,574.08	1,32,823.53

ii. The Holding Company's recycling facility at Chittoor, was eligible for incentives available under "Industrial Development Policy 2015-2020", notified by the Andhra Pradesh government. Under the scheme the plant had been granted "Small Industry" status and was eligible for incentives like, power cost reimbursement, Interest reimbursement, refund of sales tax/State Goods and services tax paid in cash, etc. Based on such policy, the Group had recognised the incentive computed based on SGST paid to Government of Andhra Pradesh. Further, in terms of the Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", eligible incentive as mentioned above amounting to Rs. Nil (Previous year: Rs. 1,569.28 lacs) for year ended March 31, 2021 is credited to Statement of Profit and Loss and included under the head "Other operating revenue" on accrual basis. Further, the Group was also entitled for capital grant of Rs. 26.38 lacs out of which Rs. 2.64 lacs (Previous year: Rs. 0.88 lacs) has been recognised as Amortisation of government grant under the head "Other income" and balance amount of Rs. 19.34 lacs (March 31, 2020: Rs. 21.98 lacs) has been recognised as Deferred government grants under head "Other current liabilities".

Further, one of the Group's partnership firm, (Gravita Metal Inc.) has also recognised Rs. 191.60 lacs (Previous year: Rs. 191.39 lacs) as government grant during the year.

(Amounts in ₹ lacs)

24. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income from:		
Bank deposits	42.58	61.31
Others	39.22	7.21
Other non-operating income		
Liabilities provisions no longer required written back	36.19	22.32
Other gains and losses		
Amortisation of government grant [refer note 23 (ii)]	2.64	0.88
Gain on foreign currency exchange fluctuation (net)	95.29	-
Derivatives measured at fair value through profit and loss		
Gain on foreign currency forward contracts	139.47	-
Gain on commodity forward contracts	329.92	-
Miscellaneous income	31.75	7.70
Total	**717.05**	**99.42**

25. Cost of material consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials consumed	1,20,645.82	1,09,626.45
Total	**1,20,645.82**	**1,09,626.45**

26. Purchase of traded goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Battery scrap and others	843.43	1,855.52
Total	**843.43**	**1,855.52**

27. Changes in inventories of finished goods, work-in-progress and traded goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock		
Finished goods (i)	4,773.22	4,604.98
Work-in-progress	5,003.56	2,870.86
Traded goods	167.56	93.86
Less: Closing stock		
Finished goods (i)	9,165.17	4,773.22
Work-in-progress	8,945.57	5,003.56
Traded goods	81.99	167.56
Changes in inventories of finished goods, work-in-progress and traded goods	**(8,248.39)**	**(2,374.64)**

(i) inclusive of goods-in-transit

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

28. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	6,621.31	5,891.41
Contribution to provident and other funds (refer note 43)	267.06	229.18
Staff welfare expenses	401.33	473.26
Total	**7,289.70**	**6,593.85**

29. Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest costs on		
- Borrowings	2,153.22	2,314.07
- Lease liabilities	67.34	80.52
- Others	98.08	3.44
Foreign exchange fluctuation to the extent regarded as an adjustment to borrowing costs	284.56	275.72
Other borrowing costs	183.51	143.48
Total	**2,786.71**	**2,817.23**

30. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	1,782.67	1,520.45
Amortisation of intangible assets	26.48	37.74
Depreciation of right-of-use assets	220.98	257.64
Less: Depreciation on property, plant and equipment capitalised during the year	-	3.29
Total	**2,030.13**	**1,812.54**

31. Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	1,449.34	1,337.15
Rates and taxes	794.99	76.58
Legal and professional fees	229.66	321.17
Repairs and maintenance		
- Plant and machinery	1,387.60	1,176.40
- Building	84.37	277.27
- Others	208.91	233.19
Freight and forwarding	2,617.42	2,149.06
Travelling and conveyance	297.53	544.99
Insurance	46.62	42.79
Rent (refer note 17)	288.78	376.13
Advertising and sales promotion	189.15	202.70

(Amounts in ₹ lacs)

31. Other expenses *(Contd.)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Donations	51.58	0.07
Payment to auditors[i]	66.61	58.75
Allowance for expected credit loss on financial assets (including write off)	-	264.17
Net loss on foreign currency transactions and translation	-	98.38
Loss on sale/ discard of property, plant and equipment	627.19	252.32
Expenditure on corporate social responsibility[ii]	87.96	109.57
Bank charges	310.20	326.03
Contractual labour expenses	109.12	98.37
Derivatives measured at fair value through profit or loss		
- Loss on foreign currency forward contracts	-	24.79
- Loss on commodity forward contracts	-	800.48
Miscellaneous expenses	405.66	561.16
Total	**9,252.69**	**9,331.52**

(i) Payment to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
- Audit fee	59.77	52.38
- Tax audit	-	0.40
In other capacity		
- Certification and other matters	1.00	1.90
- Reimbursement of out of pocket expenses	5.84	4.07
Total	**66.61**	**58.75**

(ii) Details of corporate social responsibility expenditure eligible under Companies Act, 2013

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount required to be spent by the Holding Company	61.95	59.76
Amount spent during the year		
- Construction or acquisition of any asset	-	-
- On purposes other than above	87.96	109.57

(i) The Holding Company does not carry any provisions for corporate social responsibility expenses for the current year and previous year.

(ii) The Holding Company does not have any ongoing projects as at March 31, 2021.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(iii) The Holding Company intends to carry forward the excess amount spent during the year. Refer details below:

Particulars	March 31, 2021
Opening balance at the beginning of the year	**-**
Amount required to be spent during the year	61.95
Amount spent during the year (excluding unspent amount of past years)	64.53
Closing balance at the end of the year	**2.58**

32. Exceptional items

The exceptional item amounting to Rs. Nil (Previous year: Rs. 522.94 lacs) for the year ended March 31, 2021 represents loss on sale of investment in subsidiaries.

33. Tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of current year	1,392.35	1,056.04
In respect of earlier year	115.49	61.33
	1,507.84	**1,117.37**
Deferred tax	**-**	
In respect of current year	(97.40)	(82.45)
Minimum alternate tax credit created during the current year	(2.56)	-
	(99.96)	**(82.45)**
Income tax expense reported in the Consolidated Statement of Profit and Loss	**1,407.88**	**1,034.92**
The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:		
Accounting profit before tax	7,090.83	4,693.08
Statutory income tax rate	34.94%	34.94%
Tax expense at statutory income tax rate	2,477.82	1,639.95
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Effect of income that is exempt from taxation	(1,366.06)	(880.05)
Effect of expenses that are not deductible in determining taxable profit	427.69	171.87
Effect of different tax rates of subsidiaries operating in other jurisdictions	(246.56)	5.30
Deferred tax liabilities not recognised on temporary difference, which will reverse within the tax holiday period	(70.42)	(40.58)
Movement in tax provision relating to earlier years	115.49	61.33
Others	69.91	36.52
Income tax expense recognised in Consolidated Statement of Profit and Loss	**1,407.88**	**1,034.92**

Deferred tax has not been created on incentive income/ receivable in Chittoor plant of Holding Company, considering the same will be realised within tax holiday period available under section 80IA of Income tax Act, 1961.

(Amounts in ₹ lacs)

34. Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Claim against the company not acknowledged as debt[i]		
- Excise Duty/Customs Duty/Service Tax/ Goods and services Tax	553.60	538.75
- Value Added Tax/ Central Sales Tax/Entry Tax	328.90	1.87
Total	**882.50**	**540.62**

(i) All the matters above are subject to legal proceedings in the ordinary course of business. The management is confident that its position to be upheld in the appeals pending before various appellate authorities and no liability could arise on the Group on account of these proceedings.

(b) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	312.08	126.67
Total	**312.08**	**126.67**

35. Dividend

Particulars	Dividend per share	Total dividend amount (including dividend tax)[i]
For the year ended March 31, 2021		
Interim dividend for financial year 2020-21[ii]	1.10	744.23
Total		**744.23**
For the year ended March 31, 2020		
Final dividend for financial year 2019-20[iii]	0.30	206.51
Interim dividend for financial year 2019-20 [iv]	0.70	504.12
Total		**710.63**

(i) It does not include the amount paid to Gravita employee welfare trust by Holding Company.

(ii) Declared by the Board of Directors, in its meeting held on January 28, 2021.

(iii) Approved by shareholders at the Annual General Meeting held on September 20, 2019.

(iv) Declared by the Board of Directors, in its meeting held on February 24, 2020.

36. Earning per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year attributable to equity shares (Rs. in lacs) **(A)**	5,248.15	3,317.95
Total shares issued at the beginning of the year (in numbers) (refer note 14) **(B)**	6,90,37,914	6,87,46,714
Add: Weighted average number of shares issued during the year on account of exercise of employee stock option **(C)**	-	2,70,514
Less: Weighted average number of shares reserved under 'Stock Appreciation Rights Scheme 2017' held by Gravita Employee Welfare Trust at the beginning of the year **(D)**	7,28,000	2,00,000
Less: Weighted average number of shares acquired during the year under 'Stock Appreciation Rights Scheme 2017' held by Gravita Employee Welfare Trust **(E)**	3,06,859	24,417

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

36. Earning per share *(Contd.)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted-average number of equity shares for basic EPS (F) = (B + C - D - E)	**6,80,03,055**	**6,87,92,811**
Effect of dilution **(G)**	-	-
Weighted-average number of equity shares for diluted EPS (H) = (F + G)	**6,80,03,055**	**6,87,92,811**
Basic earnings per share (in Rs.) (A/F)	**7.72**	**4.82**
Diluted earnings per share (in Rs.) (A/H)	**7.72**	**4.82**

37. Reconciliation of liabilities arising from financing activities

Particulars	Non-current borrowing[i]	Current borrowing	Lease liabilities
As at April 1, 2019	**3,857.54**	**21,170.01**	**1,189.03**
Cash inflow	2,928.15	-	-
Cash outflow	(785.57)	(22.02)	(318.07)
Non-cash changes			
Amortisation of transaction costs in respect of financial liabilities carried at amortised cost	26.35	-	-
Unrealised foreign exchange (gain)/loss on restatement of foreign currency loans	-	80.97	-
Disposals of lease liabilities	-	-	(276.15)
Interest cost on lease liabilities	-	-	80.52
As at March 31, 2020	**6,026.47**	**21,228.96**	**675.33**
Cash inflow	4,628.94	-	-
cash outflow	(2,607.32)	(3,647.06)	(301.24)
Non-cash changes			
Recognition of lease liabilities			50.76
Amortisation of transaction costs in respect of financial liabilities carried at amortised cost	38.20	-	-
Unrealised foreign exchange (gain)/loss on restatement of foreign currency loans	-	(50.74)	-
Interest cost on lease liabilities		-	67.34
As at March 31, 2021	**8,086.29**	**17,531.16**	**492.19**

(i) including current maturities

38. Disclosure as per Section 186(4) of the Companies Act, 2013

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
Investment in associate				
Pearl Landcon Private Limited	0.50	0.50	0.50	0.50

(Amounts in ₹ lacs)

39. Disclosure of effects of hedge accounting on financial position

(a) Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value in USD	Carrying amount of hedging instrument	Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
As at March 31, 2021							
Cash flow hedge							
Pre-shipment credit in foreign currency (PCFCs)	110.68	8,135.81	May 30, 2021 - September 21, 2021	1:1	Rs. 73.09/ USD	(200.56)	(200.56)
As at March 31, 2020							
Cash flow hedge							
Pre-shipment credit in foreign currency (PCFCs)	28.00	2,110.71	May 15, 2020 - September 16, 2020	1:1	Rs. 72.99/ USD	152.64	152.64

(b) Disclosure of effects of hedge accounting on financial performance

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive loss (income)	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
For the year ended March 31, 2021				
Cash flow hedge				
Pre-shipment credit in foreign currency (PCFCs)	(50.74)	-	(149.82)	Finance cost and other income
For the year ended March 31, 2020				
Cash flow hedge				
Pre-shipment credit in foreign currency (PCFCs)	80.97	-	71.67	Finance cost and other expenses

(c) Movements in cash flow hedging reserve

Particulars	March 31, 2021	March 31, 2020
Amount at the beginning of the year	52.21	(0.47)
Add: Changes in value of PCFCs	(200.56)	152.64
Less: Amount reclassified to profit or loss	149.82	(71.67)
Less: Deferred tax relating to above (net)	17.73	(28.29)
Amount at the end of the year	**19.20**	**52.21**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Note 40 - Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2021, the Group is not subject to any externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. The Group's management reviews the capital structure of the Group on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The Group also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio, Debt to EBIDTA Ratio to arrive at an appropriate level of debt and accordingly evolve its capital structure.

The following table summarises the capital of the Group:

Particulars	As at March 31, 2021	As at March 31, 2020
Total equity	26,893.13	22,518.19
Non-current borrowings (including current maturities)	8,086.29	6,026.47
Current borrowings	17,531.16	21,228.96
Total capital (Debt + Equity)	**52,510.58**	**49,773.62**

41. Financial Instruments

A Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Note	As at March 31, 2021		As at March 31, 2020	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Financial assets					
Investments(i)	6	0.06	-	0.06	
Trade receivables	11	5,937.92	-	6,752.55	-
Other financial assets	8	175.39	-	2,097.06	-
Derivative assets	8	-	401.49	-	-
Loans	7	610.87	-	421.73	-
Cash and cash equivalents	12	1,131.88	-	1,067.03	-
Bank balances other than cash and cash equivalents	13	853.87	-	964.52	-
Total financial assets		**8,709.99**	**401.49**	**11,302.95**	**-**
Financial liabilities					
Borrowings (including current maturities)	16 & 22	25,617.45	-	27,255.43	-
Lease liabilities	17	492.19	-	675.33	-
Trade payables	21	15,854.90	-	8,570.45	-
Other financial liabilities	22	71.88	-	206.21	-
Derivative liabilities	8	-	-	-	606.53
Total financial liabilities		**42,036.42**	**-**	**36,707.42**	**606.53**

(i) Investment in associate is measured using equity method of accounting and hence, not presented here.

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices

(Amounts in ₹ lacs)

in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Note	Level 1	Level 2	Level 3	Total
As at March 31, 2021					
Financial assets measured at fair value through profit or loss					
Derivative assets	8	-	401.49	-	**401.49**
As at March 31, 2020					
Financial liabilities measured at fair value through profit or loss					
Derivative liabilities	8	-	606.53	-	**606.53**

Valuation process and technique used to determine fair value

i. The fair value of investments in unquoted equity shares is estimated at their respective costs, since those companies do not have any significant operations and there has neither been any significant change in their performance since initial recognition nor there is any expectation of such changes in foreseeable future.

ii. The Group enters into commodity contracts with financial institutions for hedging price risk of lead arising from its import and export. Fair values of such contracts are determined based on observable rates of the commodity for similar contracts for the remaining maturity on the balance sheet date.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	Note	March 31, 2021		March 31, 2020	
		Carrying value	Fair value	Carrying value	Fair value
Non-current financial assets					
Investments	6	0.06	0.06	0.06	0.06
Security deposits	7	332.54	332.54	293.94	293.94
Deposits with bank (with remaining maturity more than 12 months)	8	8.96	8.96	2.01	2.01
Non-current financial liabilities					
Borrowings (including current maturities)	16 & 22	8,086.29	8,086.29	6,026.47	6,026.47
Lease liabilities	17	323.73	323.73	454.01	454.01

The management assessed that fair values of current loans, current financial assets, cash and cash equivalents, other bank balances, trade receivables, short term borrowings, trade payables , current lease liabilities and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is disclosed 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. The following methods and assumptions were used to estimate the fair values:

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

i. Non-current loans and non-current financial liabilities are evaluated by the Group based on parameters such as interest rates, individual credit worthiness of the counterparty/borrower and other market risk factors.

ii. The fair values of the Group's fixed interest-bearing liabilities, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

iii. All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

42. Financial Risk Management

Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loans, cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets measured at amortised cost	Ageing analysis, Credit ratings	Bank deposits, diversification of asset base, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

I. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by loans, cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a. Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting

(Amounts in ₹ lacs)

defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in Statement of Profit and Loss.

The group provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, trade receivables, cash and cash equivalents, derivative financial instruments, financial assets measured at amortised cost	6 month expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or specific provision whichever is higher

Financial assets that expose the entity to credit risk

Particulars	Note	At at March 31, 2021	At at March 31, 2020
Low credit risk			
Loans (including security deposits)	7	610.87	421.73
Trade receivables	11	5,937.92	6,752.55
Cash and cash equivalents	12	1,131.88	1,067.03
Bank balances other than cash and cash equivalents	13	853.87	964.52
Other financial assets (including derivative assets)	8	576.88	2,097.06
High credit risk			
Trade receivables	11	223.94	373.16
Total		**9,335.36**	**11,676.05**

(i) Investment in associate is measured using equity method of accounting and hence, not presented here.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Derivative financial instruments

Derivative financial instruments are considered to have low credit risk since the contracts are with reputable financial institutions.

Trade receivables

Trade receivables are generally unsecured and non-interest bearing. There is no significant concentration of credit risk. The Group's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilization of credit limit is regularly monitored. The Group's credit risk is mainly confined to the risk of customers defaulting against credit sales made. Outstanding trade receivables are regularly monitored by credit monitoring Group. The Group has also taken advances from its customers, which mitigate the credit risk to an extent. In respect of trade receivables, the Group recognises a impairment for lifetime expected credit losses after evaluating the individual probabilities of default of its customers which are duly based on the inputs received from the marketing teams of the Group.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans to related parties, loans to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(b) Expected credit losses for financial assets

(i) Financial assets (other than trade receivables)

Group provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For cash & cash equivalents, other bank balances and derivative financial instruments - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, derivative financial instruments, other bank balances and bank deposits is evaluated as very low.

For security deposits paid - Credit risk is considered low because the Group is in possession of the underlying asset.

For other financial assets - Credit risk is evaluated based on Group knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Group policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk."

Particulars	Notes	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2021					
Cash and cash equivalents	12	1,131.88	0.00%	-	1,131.88
Bank balances other than cash and cash equivalents	13	853.87	0.00%	-	853.87
Loans (including security deposits)	7	610.87	0.00%	-	610.87
Other financial assets	8	576.88	0.00%	-	576.88
March 31, 2020					
Cash and cash equivalents	12	1,067.03	0.00%	-	1,067.03
Bank balances other than cash and cash equivalents	13	964.52	0.00%	-	964.52
Loans (including security deposits)	7	421.73	0.00%	-	421.73
Other financial assets	8	2,097.06	0.00%	-	2,097.06

(ii) Expected credit loss for trade receivables under simplified approach

As at March 31, 2021 and March 31, 2020, the Group considered the individual probabilities of default of its financial assets (other than trade receivables) and determined that in respect of counterparties with low credit risk, no default events are considered to be possible within the 6 months after the reporting date. In respect of trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses using a simplified approach.

Particulars	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount of impairment provision
March 31, 2021				
Amount not yet due	4,426.99	0.00%	-	4,426.99
Between one to six month overdue	1,510.93	0.00%	-	1,510.93
Greater than six month overdue	223.94	100.00%	223.94	-
Total	**6,161.86**		**223.94**	**5,937.92**

(Amounts in ₹ lacs)

Particulars	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount of impairment provision
March 31, 2020				
Amount not yet due	4,827.53	0.00%	-	4,827.53
Between one to six month overdue	2,075.79	7.26%	150.77	1,925.02
Greater than six month overdue	222.39	100.00%	222.39	-
Total	**7,125.71**		**373.16**	**6,752.55**

Reconciliation of loss allowance provision for Trade receivables from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance as at April 1, 2019	**138.49**
Changes in loss allowance	234.67
Loss allowance as at March 31, 2020	**373.16**
Changes in loss allowance	(149.22)
Loss allowance on March 31, 2021	**223.94**

II. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner."

(a) Financing arrangements

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Undrawn*	12,082.99	4,979.92

* Working capital facilities due for review every year

(b) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant:

Particulars	Less than 1 year	1-5 year	More than 5 years	Total
March 31, 2021				
Non-derivatives				
Borrowing(i)	3,534.37	5,882.15	15.67	**9,432.19**
Short term borrowings	17,531.16	-	-	**17,531.16**
Lease liabilities	207.46	250.27	258.20	**715.93**
Trade payables	15,854.90	-	-	**15,854.90**
Other financial liabilities	71.88	-	-	**71.88**
Total	**37,199.77**	**6,132.42**	**273.87**	**43,606.06**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Particulars	Less than 1 year	1-5 year	More than 5 years	Total
March 31, 2020				
Non-derivatives				
Borrowing[(i)]	2,195.45	4,949.85	-	**7,145.30**
Short term borrowings	21,228.96	-	-	**21,228.96**
Lease liabilities	266.48	384.50	315.33	**966.31**
Trade payables	8,570.45	-	-	**8,570.45**
Other financial liabilities	206.21	-	-	**206.21**
Derivatives				
Derivative liability	606.53	-	-	**606.53**
Total	**33,074.08**	**5,334.35**	**315.33**	**38,723.76**

(i) including current maturities of non-current borrowings along with estimated future interest obligation

III. Market risk

(a) Foreign currency risk

The Group is exposed to foreign exchange risk in the normal course of its business. Multiple currency exposures arise from commercial transactions like sales, purchases, borrowings, recognized financial assets and liabilities (monetary items). Certain transactions of the Group act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adapts the policy of selective hedging based on risk perception of management. Foreign exchange hedging contracts are carried at fair value. The Group's exposure to foreign currency changes for all other currencies which are not stated below is not material. Foreign currency exposures that are not hedged by derivative instruments outstanding as on the balance sheet date are as under:

Particulars	Financial assets		Financial liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	3,638.98	4,514.76	6,568.56	3,833.56

Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the Group's financial assets and financial liabilities at the reporting date, net of derivative contracts for hedging those exposures. Reasonably possible changes are based on an analysis of historic currency volatility, together with any relevant assumptions regarding near-term future volatility.

The impact on the Company's profit before tax and equity due to changes in the foreign currency exchange rates are given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
USD Sensitivity		
INR/USD - Increase by 4.38% (March 31, 2020 - 5.45%)	128.31	37.13
INR/USD - Decrease by 4.38% (March 31, 2020 - 5.45%)	(128.31)	(37.13)

Foreign exchange derivative contracts

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 12 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

(Amounts in ₹ lacs)

Outstanding contracts	No. of deals		Foreign currency		Nominal amount	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD / INR sell forward	2,000	2,000	20,00,000	20,00,000	14,68,30,000	15,07,71,800

(b) Interest rate risk

(i) Financial liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2021 and March 31, 2020, the Group is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Group's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	18,821.84	21,528.56
Fixed rate borrowing	6,795.61	5,726.87
Total borrowings	**25,617.45**	**27,255.43**

Sensitivity

Below is the sensitivity of profit or loss to changes in interest rates.

Particulars	As at March 31, 2021	As at March 31, 2020
Interest sensitivity(i)		
INR Borrowings		
Interest rates – increase by 100 basis points	188.22	215.29
Interest rates – decrease by 100 basis points	(188.22)	(215.29)

(i) Holding all other variables constant

(c) Price risk

Exposure

The Group exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets. There are no investments held by the Group which are measured at fair value either through profit and loss or fair value through other comprehensive income, hence the Group is not exposed to price risk.

43. Employee benefits plans

(i) Defined Contribution Plans

The Group makes contribution towards employees' provident fund and employees' deposit linked insurance scheme for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes.

The Group has recognised for contributions to these plans in the statement of profit and loss as under:"

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution to provident funds	179.35	147.31
Employer's contribution to employee state insurance and other funds	87.71	81.87

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgement dated February 28, 2019 on provident fund. The Group has started recognising such expenditure/liability on account of enhanced provident fund contributions prospectively. Pending further clarification on the applicability of such ruling, the management is of the view that such ruling is applicable prospectively.

(ii) Defined benefits plans

The employees' gratuity fund scheme managed by a trust namely 'Gravita India Limited Employees Gratuity Trust' is defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is determined based on actuarial valuation as at the end of each financial year using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

Earned leaves – Long term leaves includes earned leaves. These have been provided on accrual basis, based on year end actuarial valuation.

These plans typically expose the company to actuarial risks such as investment risk, salary risk, interest rate risk and longevity risk.

Investment Risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk -The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability

Interest Risk -The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk -The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

Reconciliation of opening and closing balances Defined Benefit Obligation

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Change in benefit obligation (A)				
Present value of obligation as at the beginning of the year	286.68	81.57	236.49	64.83
Current service cost	34.97	12.44	33.20	16.63
Interest cost	19.49	5.54	18.09	4.96
Actuarial loss/ (gain)	4.16	(1.16)	4.19	16.16
Actuarial loss/ (gain) on plan assets	-	-	(0.07)	-
Benefits paid	(17.79)	(19.73)	(5.22)	(21.01)
Present value of obligation as at the end of the year	**327.51**	**78.66**	**286.68**	**81.57**
Change in plan assets (B)				
Fair value of plan assets at the beginning of the year	-	-	0.98	-
Benefits paid	-	-	(0.98)	-
Fair value of plan assets at the end of the year	-	-	-	-
Liability recognized in the financial statement (A - B)	**327.51**	**78.66**	**286.68**	**81.57**

(Amounts in ₹ lacs)

Actuarial assumptions

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Discount rate	6.80%	6.80%	6.79%	6.80%
Expected rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	18.56 - 22.15	18.56 - 22.16	18.77 - 22.56	18.77 - 23.79
Average remaining working lives of employees with Mortality and Withdrawal (years)	15.39 - 17.35	15.39 - 17.35	15.37 - 17.51	15.96 - 18.23
Mortality rates inclusive of provision for disability (100% of Indian Assured Lives Mortality (IALM) (2006-08):	100%	100%	100%	100%
Attrition at Ages				
Age upto 30 years	3%	3%	3%	3%
Age from 31 to 44 years	2%	2%	2%	2%
Age above 44 years	1%	1%	1%	1%
Retirement age (years)	58	58	58	58

Maturity profile of defined benefit obligation

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 year	38.73	4.25	35.73	4.88
1 to 2 year	9.75	3.33	4.06	1.43
2 to 3 year	5.36	1.49	8.88	3.79
3 to 4 year	7.68	2.61	4.56	1.46
4 to 5 year	75.15	3.81	6.32	2.33
5 to 6 year	29.32	10.26	69.88	4.23
6 year onwards	161.52	52.91	157.25	63.45

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Cost for the period				
Current service cost	34.97	12.44	33.20	16.63
Net interest cost	19.49	5.54	18.09	4.96
Actuarial loss	-	(1.16)	-	16.16
Total amount recognised in profit or loss	**54.46**	**16.82**	**51.29**	**37.75**
Re-measurements recognised in Other comprehensive income				
Actuarial (gain) / loss on plan assets	-	-	0.08	-
Effect of changes in demographic assumptions	-	-	(0.12)	-
Effect of changes in financial assumptions	0.61	-	19.28	-
Effect of experience adjustments	3.55	-	(15.05)	-
Total re-measurements included in Other Comprehensive Income	**4.16**	**-**	**4.19**	**-**
Total amount recognised in Statement of Profit and Loss	**58.62**	**16.82**	**55.48**	**37.75**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Sensitivity analysis of the defined benefit obligation

The significant actuarial assumption for the determination of defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of Obligation at the end of the year	327.51	78.66	286.68	81.57
(a) Impact of the change in discount rate				
Impact due to increase of 0.50%	(12.87)	(3.94)	(11.74)	(4.51)
Impact due to decrease of 0.50%	13.90	4.27	12.67	4.91
(b) Impact of the change in salary increase				
Impact due to increase of 0.50%	13.94	4.28	12.71	4.92
Impact due to decrease of 0.50%	(13.02)	(3.99)	(11.88)	(4.56)

44. Employee share based payments

(a) Employee stock option plan, 2011

The members of the Holding Company at its Annual General Meeting held on July 27, 2011 had approved the issue of stock options to eligible employees/directors of the Holding Company and its subsidiaries. Accordingly, the Board at their meeting held on August 10, 2011 approved the "Gravita ESOP 2011" Scheme. A Compensation Committee was formed to govern the Gravita ESOP 2011 Scheme which has approved the grant of options on April 1, 2015. Details of the grant is as follows:

Particulars	Grant
Grant Date	April 1, 2015
Grant effective from	April 1, 2015
Exercisable period	5 years
Option Granted	5,00,000
Exercise price	Rs. 2 per share

Fair value of share options granted during the year

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

Inputs in the pricing model

Particulars	Grant
Weighted average fair Value of options	34.93
Weighted average share price	36.3
Exercise Price	2
Expected Volatility	66.19%
Options Life	5 Yrs.
Dividend Yield	0.00%
Risk Free Rate	7.05%

(Amounts in ₹ lacs)

Movement in stock options

Particulars	March 31, 2021	March 31, 2020
Options outstanding at the beginning of the year	-	**2,91,200**
Add: New options issued during the year	-	-
Less: Options exercised during the year	-	2,91,200
Less: Lapsed/ forfeited during the year	-	-
Options outstanding at the end of the year	**-**	**-**

(b) Employee Stock appreciation rights Scheme

In terms of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ('SEBI Regulations'), the Compensation Committee of Board, inter alia, administers and monitors the Gravita Stock Appreciation Rights Scheme 2017 of the Holding Company. The Compensation Committee, at its meeting granted 528,000 (Previous year: 129,600) Stock Appreciation Rights to the employees of the Group under Gravita Stock Appreciation rights Scheme 2017. In addition, Gravita Employee Welfare Trust has purchased 652,500 (previous year: 528,000) equity shares from secondary market.

Movement of shares acquired by Gravita Employee Welfare Trust

Particulars	March 31, 2021	March 31, 2020
Number of shares outstanding at the beginning of the year	7,28,000	2,00,000
Equity shares acquired during the year	6,52,500	5,28,000
Number of shares outstanding at the end of the year	**13,80,500**	**7,28,000**

Movement of shares appreciation rights granted by Gravita Employee Welfare Trust

Particulars	March 31, 2021	March 31, 2020
Number of shares appreciation rights granted at the beginning of the year	2,00,000	70,400
Shares appreciation rights granted during the year	5,28,000	1,29,600
Number of shares appreciation rights granted at the end of the year	**7,28,000**	**2,00,000**

Note 45 - Segment information

Operating segments and principal activities:

Based on the guiding principles given in Ind AS - 108 'Operating segments', the Board of Director of the Group is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the Group is segregated in the segments below:

i) Lead processing

ii) Aluminium processing

iii) Turn-key solutions

iv) Plastic manufacturing

Lead processing includes smelting of lead battery scrap / Lead concentrate to produce secondary Lead metal, which is further transformed into Pure Lead, Specific Lead Alloy, Lead Oxides (Lead sub-oxide, Red Lead, and Litharge) and Lead products like Lead sheets, Lead powder, Lead shot etc.

Aluminium processing includes trading of Taint Tabor and Tense aluminium scraps manufacturing of alloy from melting of aluminium scrap.

Turn key solution includes, complete supply of plant and machinery related to lead manufacturing plant. Further, since carton trading does not amounts to primary business activities, hence the same has been clubbed in others in segment reporting.

Segment revenue and results include the respective amounts identifiable to each of the segments. Other unallowable expenditure includes expenses incurred on finance cost, which are not directly identifiable to segments.

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

In addition to the significant accounting policies applicable to the business segments as set out in note 1, the accounting policies in relation to segment accounting are as under:

(a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

(b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property, plant and equipment, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes.

(c) Geographical segments

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation is mainly for two locations:

(i) India (country of domicile); and

(ii) other than India (all countries other than India is considered by CODM as one geographical area)."

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets has been given below:

*Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts

(i) located in the entity's country of domicile; and

(ii) located in all foreign countries in total in which the entity holds assets."

Particulars	March 31, 2021	March 31, 2020
A. Segment revenue(I)		
Lead	1,23,269.67	1,19,915.59
Aluminium	9,524.39	8,045.86
Turnkey projects	350.84	985.18
Plastics	7,736.58	5,641.74
Others	93.44	191.66
Total	**1,40,974.92**	**1,34,780.03**
B. Segment results		
Lead	9,525.09	9,182.51
Aluminium	1,593.86	689.03
Turnkey projects	(111.84)	121.95
Plastics	(324.54)	(346.77)
Others	7.06	(18.24)
Total	**10,689.63**	**9,628.48**
C. Reconciliation of segment result with profit after tax		
Segment results	**10,689.63**	**9,628.48**
Add/ (less): Unallocated income/ (expenses)		
Finance costs	(2,786.71)	(2,817.23)
Other income	387.13	99.42
Other expenses	(1,198.17)	(1,693.69)
Exceptional item	-	(522.94)
Share of loss of an associate	(1.05)	(0.96)
Tax expenses	(1,407.88)	(1,034.92)
Profit after tax in the Statement of Profit and Loss	**5,682.95**	**3,658.16**
D. Segment depreciation and amortisation expense		
Lead	1,060.74	891.18
Aluminium	134.61	130.08

(Amounts in ₹ lacs)

Particulars	March 31, 2021	March 31, 2020
Turnkey projects	69.14	66.90
Plastics	525.38	451.93
Others	13.83	11.63
Unallocated	226.43	260.82
Total	**2,030.13**	**1,812.54**
E. Segment assets		
Lead	52,578.49	41,608.98
Aluminium	5,499.38	3,771.03
Turnkey projects	2,877.23	2,493.00
Plastics	3,720.14	4,589.79
Others	328.00	325.62
Unallocated assets	7,629.17	8,647.10
Total Assets	**72,632.41**	**61,435.52**
F. Segment Liabilities		
Lead	12,011.73	9,598.70
Aluminium	555.16	361.75
Turnkey projects	181.63	142.32
Plastics	801.05	477.82
Others	13.95	22.51
Unallocated liabilities	31,273.44	27,794.30
Total Liabilities	**44,836.96**	**38,397.40**
G. Investment in associate		
Unallocated	0.26	1.31
H. Revenue by geographical market		
Within India	1,29,112.41	1,24,405.66
Outside India	11,862.51	10,374.37
Total	**1,40,974.92**	**1,34,780.03**
I. Non-current assets by geographical market		
Within India	13,317.61	13,225.71
Outside India	6,249.56	7,179.52
Total	**19,567.17**	**20,405.23**

(I) Segment revenue reported above represents revenue generated from external customers

Information about major customers

Sales of ₹ 53,142 lacs (Previous year: ₹ 26,053 lacs), included in total revenue, which arose from sales to the Group's largest customers. No other single customers contributed 10% or more to the Group's revenue in current year 2020-21 and previous year 2019-20.

46. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(I) Details of subsidiaries and associates

(a) Subsidiaries

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Gravita Infotech Limited	India	100.00	100.00
Noble Buildestate Private Limited	India	100.00	100.00
Gravita Ghana Limited	Ghana	100.00	100.00
Gravita Global Pte Limited	Singapore	100.00	100.00
Gravita Mozambique LDA	Mozambique	100.00	100.00
Navam Lanka Limited	Srilanka	52.00	52.00
Gravita Netherlands BV	Netherlands	100.00	100.00
Gravita Senegal SAU	Senegal	100.00	100.00
Gravita Nicaragua SA	Nicaragua	100.00	100.00
Gravita Jamaica Limited	Jamaica	100.00	100.00

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Gravita Ventures Limited	Tanzania	100.00	100.00
Gravita USA Inc	USA	100.00	100.00
Gravita Mali SA	Mali	100.00	100.00
Recyclers Gravita Costa Rica SA	Costa Rica	100.00	100.00
Gravita Tanzania Limited	Tanzania	100.00	100.00
Recyclers Ghana Limited	Ghana	100.00	100.00
Mozambique Recyclers LDA	Mozambique	100.00	100.00
Gravita Dominican SAS	Dominican Republic	100.00	100.00
Gravita Peru SAC	Peru	100.00	100.00
Gravita Cameroon Limited (upto February 25, 2020)	Cameroon	-	-
Met Mauritania Recycling SARL (upto July 3, 2019)	Mauritania	-	-

(b) Associate

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Pearl Landcon Private Limited	India	25.00	25.00

(c) Partnership firms

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
M/s Shasin Industries (upto March 20, 2020)	India	-	-
M/s Gravita Metal Inc	India	100.00	100.00
M/s Gravita Infotech	India	100.00	100.00

(d) Limited liability partnership firm

Name of Entity	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
M/s Recycling Infotech LLP	India	100.00	100.00

(e) Trusts

Name of Entity	Country of incorporation
Gravita Employee Welfare Trust	India

(II) Information about standalone subsidiaries/ entities consolidated

(i) For financial year 2020-21

Name of the entity	Net assets[i]		Share of profit or loss		Share of Other comprehensive income		Total comprehensive income	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
Parent								
Gravita India Limited	70.29%	18,901.87	61.26%	3,215.59	15.20%	30.53	59.56%	3,246.12
Subsidiaries								
Indian subsidiaries[ii]								
Gravita Infotech Limited	0.90%	243.32	(0.20%)	(10.39)	-	-	(0.19%)	(10.39)
M/s Gravita Infotech	0.03%	7.26	(0.02%)	(1.02)	-	-	(0.02%)	(1.02)

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Name of the entity	Net assets[(i)]		Share of profit or loss		Share of Other comprehensive income		Total comprehensive income	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
Noble Buildestate Private Limited	(0.69%)	(184.47)	(0.53%)	(27.99)	-	-	(0.51%)	(27.99)
M/s Gravita Metal Inc	(4.56%)	(1,227.58)	(9.68%)	(508.21)	(0.11%)	(0.23)	(9.33%)	(508.44)
M/s Recycling infotech LLP	(0.00%)	0.37	(0.00%)	(0.10)	-	-	(0.00%)	(0.10)
Gravita Employee Welfare Trust	(0.34%)	(90.28)	(0.90%)	(47.04)	-	-	(0.86%)	(47.04)
Foreign subsidiaries				-		-		
Gravita Ghana Limited	0.31%	82.49	0.18%	9.44	(1.94%)	(3.90)	0.10%	5.54
Gravita Netherlands BV	17.03%	4,580.49	7.18%	376.82	(14.17%)	(28.47)	6.39%	348.35
Gravita Global Pte Limited	3.58%	963.72	(0.11%)	(5.73)	(2.24%)	(4.50)	(0.19%)	(10.23)
Gravita Senegal SAU	7.20%	1,934.99	10.25%	537.98	28.42%	57.09	10.92%	595.07
Gravita Mali SA	(0.87%)	(234.62)	0.18%	9.46	(4.75%)	(9.55)	(0.00%)	(0.09)
Gravita Nicaragua SA	(1.03%)	(276.69)	(4.21%)	(221.14)	9.13%	18.33	(3.72%)	(202.81)
Navam Lanka Limited	6.99%	1,879.93	17.26%	905.85	(54.36%)	(109.18)	14.62%	796.67
Gravita Mozambique LDA	18.08%	4,861.02	19.64%	1,031.04	(77.73%)	(156.13)	16.05%	874.91
Gravita USA Inc	1.42%	382.79	0.15%	7.94	0.83%	1.67	0.18%	9.61
Gravita Jamaica Limited	(3.32%)	(893.61)	(12.25%)	(642.82)	23.81%	47.83	(10.92%)	(594.99)
Gravita Ventures Limited	(0.33%)	(88.19)	0.01%	0.64	1.53%	3.08	0.07%	3.72
Recyclers Gravita Costa Rica SA	(0.67%)	(181.51)	(0.18%)	(9.19)	6.85%	13.76	0.08%	4.57
Gravita Tanzania Limited	6.61%	1,776.34	16.86%	885.04	(7.30%)	(14.66)	15.97%	870.38
Recyclers Ghana Limited	2.63%	706.99	7.94%	416.61	60.52%	121.55	9.87%	538.16
Mozambique Recyclers LDA	2.04%	547.85	11.14%	584.88	10.12%	20.33	11.10%	605.21
Gravita Dominican SAS	(0.07%)	(19.46)	0.01%	0.67	0.84%	1.69	0.04%	2.36
Gravita Peru SAC	(0.06%)	(15.03)	(0.43%)	(22.44)	0.15%	0.30	(0.41%)	(22.14)
		33,657.99		**6,485.89**		**(10.46)**		**6,475.43**
Adjustments arising out of consolidation	(25.15%)	(6,764.86)	(23.56%)	(1,236.69)	105.21%	211.31	(18.81%)	(1,025.38)
Total (A)	**100.00%**	**26,893.13**	**100.00%**	**5,249.20**	**100.00%**	**200.85**	**100.00%**	**5,450.05**
Non-controlling interests								
Navam Lanka Limited		902.32		434.80		(52.41)		382.39
Total (B)		**902.32**		**434.80**		**(52.41)**		**382.39**
Associates								
Pearl Landcon Private Limited				(1.05)		-		(1.05)
Total (C)				**(1.05)**		**-**		**(1.05)**
Total (A + B + C)		**27,795.45**		**5,682.95**		**148.44**		**5,831.39**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(ii) For financial year 2019-20

Name of the entity	Net assets[(i)]		Share of profit or loss		Share of Other Comprehensive Income		Total comprehensive income	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
Parent								
Gravita India Limited	72.90%	16,415.18	67.59%	2,243.15	(26.04%)	(55.06)	61.98%	2,188.09
Subsidiaries								
Indian subsidiaries[(ii)]								
Gravita Infotech Limited	1.13%	253.72	(0.57%)	(18.87)	-	-	(0.53%)	(18.87)
M/s Gravita Infotech	0.03%	7.63	(0.03%)	(1.09)	-	-	(0.03%)	(1.09)
Noble Buildestate Private Limited	(0.69%)	(156.48)	(1.22%)	(40.43)	-	-	(1.15%)	(40.43)
M/s Shasin Industries (upto March 20, 2020)	-	-	(1.97%)	(65.47)	-	-	(1.85%)	(65.47)
M/s Gravita Metal Inc.	2.93%	658.70	2.42%	80.34	(0.17%)	(0.35)	2.27%	79.99
M/s Recycling infotech LLP	0.00%	0.28	(0.00%)	(0.11)	-	-	(0.00%)	(0.11)
Gravita Employee Welfare Trust	(0.19%)	(43.24)	(0.71%)	(23.51)	-	-	(0.67%)	(23.51)
Foreign subsidiaries								
Gravita Ghana Limited	0.35%	79.03	(4.02%)	(133.58)	9.71%	20.52	(3.20%)	(113.06)
Gravita Netherlands BV	18.79%	4,232.12	11.19%	371.32	35.04%	74.08	12.62%	445.40
Gravita Global Pte Limited	4.33%	973.96	(0.43%)	(14.28)	7.31%	15.46	0.03%	1.18
Gravita Senegal SAU	7.89%	1,777.41	22.47%	745.87	33.36%	70.52	23.13%	816.39
Gravita Mali SA	(1.04%)	(234.54)	(7.08%)	(235.12)	(5.40%)	(11.41)	(6.98%)	(246.53)
Gravita Nicaragua SA	(0.33%)	(73.67)	(8.09%)	(268.51)	2.30%	4.87	(7.47%)	(263.64)
MET Mauritania Recycling SARL (upto July 3, 2019)	-	-	-	-	-	-	-	-
Navam Lanka Limited	4.81%	1,083.27	21.28%	706.24	(0.22%)	(0.46)	19.99%	705.78
Gravita Mozambique LDA	16.91%	3,806.82	23.34%	774.73	52.09%	110.12	25.06%	884.85
Gravita USA Inc	1.66%	373.19	4.45%	147.65	(7.40%)	(15.65)	3.74%	132.00
Gravita Jamaica Limited	(1.33%)	(298.61)	(5.12%)	(169.88)	(9.24%)	(19.54)	(5.37%)	(189.42)
Gravita Ventures Limited	(0.41%)	(91.92)	(0.77%)	(25.61)	(5.31%)	(11.23)	(1.04%)	(36.84)
Gravita Cameroon Limited (upto Feb 25, 2020)	-	-	-	-	1.28%	2.71	0.08%	2.71
Recyclers Gravita Costa Rica SA	(0.83%)	(186.08)	(2.20%)	(73.12)	(7.60%)	(16.07)	(2.53%)	(89.19)
Gravita Tanzania Limited	4.02%	905.97	23.33%	774.26	(21.41%)	(45.26)	20.65%	729.00
Recyclers Ghana Limited	0.75%	168.82	(6.50%)	(215.81)	(30.79%)	(65.10)	(7.96%)	(280.91)
Mozambique Recyclers LDA	(0.25%)	(57.34)	(1.14%)	(37.75)	(1.58%)	(3.35)	(1.16%)	(41.10)

(Amounts in ₹ lacs)

Name of the entity	Net assets[i]		Share of profit or loss		Share of Other Comprehensive Income		Total comprehensive income	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
Gravita Dominican SAS	(0.10%)	(21.84)	(1.53%)	(50.90)	(0.33%)	(0.70)	(1.46%)	(51.60)
Gravita Peru SAC	0.03%	7.10	-	-	0.15%	0.32	0.01%	0.32
		29,579.48		**4,469.52**		**54.42**		**4,523.94**
Adjustments arising out of consolidation	(31.36%)	(7,061.29)	(34.67%)	(1,150.61)	74.26%	157.00	(28.14%)	(993.61)
Total (A)	**100.00%**	**22,518.19**	**100.00%**	**3,318.91**	**100.00%**	**211.42**	**100.00%**	**3,530.33**
Non-controlling interests								
Navam Lanka Limited		519.93		340.21		(0.22)		339.99
Total (B)		**519.93**		**340.21**		**(0.22)**		**339.99**
Associate								
Pearl Landcon Private Limited				(0.96)		-		(0.96)
Total (C)				**(0.96)**		**-**		**(0.96)**
Total (A + B + C)		**23,038.12**		**3,658.16**		**211.20**		**3,869.36**

(i) total assets less total liabilities

(ii) including partnership firms, Limited liability partnership firm and trust

(III) Non-controlling interests

Non-controlling interests represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly owned by the Holding Company.

The balance of non-controlling interests as at the end of the year is as below:

Particulars	As at March 31, 2021	As at March 31, 2020
Non-controlling interests[i]	902.32	519.93

(i) Gravita India Limited through its step-down wholly owned subsidiary, Gravita Netherlands BV holds 52% equity stake in Navam Lanka Limited.

The tables below provide summarised information in respect of Balance Sheet as at March 31, 2021 and March 31, 2020, Statement of Profit and Loss and Statement of cash Flows for the year ended March 31, 2021 and March 31, 2020, in respect of the above-mentioned entity:

Summarised information related to Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current assets	428.21	459.37
Current assets	2,093.83	1,446.11
Total assets	**2,522.04**	**1,905.48**
Non-current liabilities	77.06	77.15
Current liabilities	565.05	745.07
Total liabilities	**642.11**	**822.22**
Net assets	**1,879.93**	**1,083.26**
Accumulated non-controlling interest	**902.32**	**519.93**

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

Summarised information related to Statement of Profit and Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Income	5,473.92	5,562.90
Profit for the year	905.85	706.24
Total comprehensive income for the year	796.67	705.77

Summarised information related to Cash Flow Statement

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net cash flow from operating activities	281.16	482.88
Net cash used in investing activities	(16.67)	(57.34)
Net cash used in financing activities	(290.00)	(372.93)
Net (decrease) / increase in cash and cash equivalents during the year	**(25.51)**	**52.61**
Cash and cash equivalents at the beginning of the year	68.15	15.54
Cash and cash equivalents at the end of the year	**42.64**	**68.15**

Note 47 - Related party disclosures under Ind-AS - 24 "Related Party Disclosures"

(i) Name of related parties and nature of related party relationship

Key Managerial Personnel and their relatives

(a) Key Management Personnel

Name	Designation
Dr. Mahavir Prasad Agarwal	Chairman and Whole-time director
Mr. Rajat Agrawal	Managing director
Mr. Yogesh Malhotra[(i)]	Whole-time director and Chief executive officer
Mr. Naveen Prakash Sharma[(ii)]	Chief executive officer
Mr. Sunil Kansal	Chief financial officer
Mr. Nitin Gupta	Company Secretary

(i) Redesignated as Whole-time director & Chief executive officer with effect from January 1, 2020.

(ii) Resigned from the post of Chief executive officer with effect from January 1, 2020.

(b) Relatives of Key managerial personnel *

Name	Relationship
Mrs. Anchal Agrawal	Wife of Mr. Rajat Agrawal

*with whom transaction have taken place during the current year or previous year

(c) Enterprises over which Key Managerial Personnel and/ or their relatives exercise significant influence*

Name of the entity
Saurabh Farms Limited
Shah Buildcon Private Limited
Jalousies India Private Limited
Gravita Impex Private Limited
Agarwal Family Private Trust

*with whom transaction have taken place during the current year or previous year

(Amounts in ₹ lacs)

(ii) Detail of transaction and balance outstanding with related parties

Transactions with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Remuneration paid to key managerial personnel		
(a) Short-term benefits(I)		
Dr. Mahavir Prasad Agarwal	120.00	120.00
Mr. Rajat Agrawal	137.25	205.07
Mr. Yogesh Malhotra	78.75	79.44
Mr. Naveen Prakash Sharma	-	64.76
Mr. Sunil Kansal	66.13	78.76
Mr. Nitin Gupta	8.42	8.43
(b) Post-employment benefits(II)		
Dr. Mahavir Prasad Agarwal	8.05	8.05
Mr. Rajat Agrawal	8.00	8.00
Mr. Yogesh Malhotra	5.65	4.77
Mr. Naveen Prakash Sharma	-	4.23
Mr. Sunil Kansal	5.24	5.24
Mr. Nitin Gupta	0.40	0.37
(c) Share based payment(III)		
Mr. Yogesh Malhotra	-	18.71
Mr. Naveen Prakash Sharma	-	24.93
Mr. Sunil Kansal	-	10.36
Mr. Nitin Gupta	-	2.77
(ii) Dividend Paid		
(a) Key managerial personnel		
Mr. Rajat Agrawal	359.83	326.88
Mr. Yogesh Malhotra	0.29	0.19
Mr. Naveen Prakash Sharma	-	0.19
Mr. Sunil Kansal	0.54	0.35
Mr. Nitin Gupta	0.01	0.01
(b) Key managerial personnel		
Agarwal Family Private Trust	190.83	173.48
(iii) Purchases of property plant and equipment		
(a) Key managerial personnel		
Rajat Agrawal	70.75	-
(iv) Rent expenses		
(a) Key management personnel		
Mr. Rajat Agrawal	39.61	40.09
(b) Relatives of key management personnel		
Mrs. Anchal Agrawal	6.38	6.05
(c) Enterprises having common key management personnel and/ or their relatives		
Saurabh Farms Limited	41.93	39.26
Shah Buildcon Private Limited	21.78	2.99
Jalousies India Private Limited	32.30	30.63

Summary of the significant accounting policies and other explanatory information *(Contd.)*

For the year ended March 31, 2021

(Amounts in ₹ lacs)

(I) Short-term benefits includes PAT incentive/ performance incentive, which is subject to performance and target achievement.

(II) Post-employment benefits does not include provisions for incremental gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

(III) Represent the value of options exercised and regarded as perquisite. However, it does not include the value of unvested options or options vested but not exercised.

Closing balances with related parties

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Other Contractual payable to related parties		
(a) Enterprises having common key management personnel and/or their relatives		
Gravita Impex Private Limited	4.32	4.32
(ii) Corporate guarantee taken		
(a) Enterprises having common key management personnel and/or their relatives		
Gravita Impex Private Limited	14,593.57	19,415.72
(iii) Remuneration payable to Key managerial personnel		
Dr. Mahavir Prasad Agrawal	7.58	6.33
Mr. Rajat Agrawal	7.10	12.06
Mr. Yogesh Malhotra	4.04	0.50
Mr. Sunil Kansal	2.65	1.85
Mr. Nitin Gupta	0.69	0.59

(i) Refer note 16(B) and 16(C) for personal guarantee given by Key managerial personnel.

48. The outbreak of Covid-19 pandemic is continuing to cause significant disturbance and slowdown of economic activities globally (including in India). The lockdowns ordered by various Governments during the first wave of Covid-19 worldwide had resulted in significant reduction in the business operations of the Group in terms of sales and production during the beginning of the year and the same has started improving gradually over the year. Subsequent to the year end, various Governments worldwide have again announced lockdown like restrictions due to the second wave of COVID-19. The management of the Group has assessed the impact of COVID-19 on its operations as well its financial results and considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets, which does not have any significant impact on carrying value of its assets. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these consolidated financial statements and the management of the Group will continue to closely monitor any material changes to future economic conditions.

49. In the opinion of Board of Directors, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known/ expected liabilities have been made.

50. The figures of the previous year have been regrouped/ reclassed to make them comparable with those of current year wherever considered necessary.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Date: May 19, 2021
Place : Ghaziabad

For and on behalf of the Board of Directors

Rajat Agrawal
Managing Director
DIN: 00855284

Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393

Dr. M. P. Agarwal
Chairman
DIN: 00188179

Sunil Kansal
Chief Financial Officer

Nitin Gupta
Company Secretary
Membership No: FCS 9984

Place : Jaipur

Corporate Information

Corporate Indentification Number
(CIN): L29308RJ1992PLC006870

Board of Directors & KMP
Dr. Mahavir Prasad Agarwal
Chairman & Whole time Director
DIN: 00188179
Rajat Agrawal
Managing Director
DIN: 00855284
Yogesh Malhotra
Whole Time Director & CEO
DIN: 05332393
Dinesh Kumar Govil
Independent Director
DIN: 02402409
Arun Kumar Gupta
Independent Director
DIN: 02749451
Chanchal Chadha Phandis
Independent Director
DIN: 07133840
Sunil Kansal
Chief Financial Officer
Nitin Gupta
Company Secretary
Membership No. : FCS-9984

Senior Management Personnel
Vijendra Singh Tanwar
Director (New Business Development)
(Non-Board Member)
Vijay Kumar Pareek
Executive Director (Non-Board Member)
Naveen Prakash Sharma
Executive Director (Non-Board Member)
Rajeev Surana
Executive Director (Non-Board Member)
Sandeep Choudhary
Vice President, Procurement Import
Sanjay Singh Baid
Vice President, Plastics
Ajay Thapliyal
Vice President (Projects & HR)

Statutory Auditors
Walker Chandiok & Co. LLP
1st Floor, L-41 Connaught Circus
New Delhi 110 001, India
Website: www.walkerchandiok.in

Internal Auditors
KPMG
Building No.10, 8th Floor, Tower-B & C
DLF Cyber City, Phase II
Gurugram - 122002, Haryana, India
Website: https://www.kpmg.com/in

Cost Auditors
K. G. Goyal & Associates
289, Mahveer Nagar-II, Maharani Farms,
Durgapura, Jaipur-302018

Registrar & Share Transfer Agent
KFin Technologies Private Limited
Selenium Building, Tower-B,
Plot No 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi, Telangana
Website: www. kfintech.com

Bankers
State Bank of India
Punjab National Bank
Union Bank of India
Canara Bank
UCO Bank
Jammu & Kashmir Bank

Corporate Office
Gravita Tower , A-27B, Shanti Path,
Tilak Nagar, Jaipur- 302 004, Rajasthan, India
Ph.No.:+91-141-262366, +91-141-2622697
Fax:+91-141-2621491

Registered Office and Works
"Saurabh", Chittora Road, Harsulia Mod,
Diggi- Malpura Road, Tehsil Phagi, Jaipur- 303 904
Email: works@gravitaindia.com
info@gravitaindia.com

Other Plant Locations
Plot No. 322, Mithirohar Industrial Estate, Mithirohar,
Taluka Gandhidham - 370205, Gujarat.

Plot No. PA-011-006, Mahindra SEZ, Village Kalwara,
Tehsil Sanganer, Distt. Jaipur-302029 Rajasthan, India

Survey No. 233/15 to 233/30, Tiruthani Road,
Village -Ananthapuram-Panchayat Narasingharayani
Pettah -Post Chittoor, Andhra-Pradesh-517419

Survey No. 43,Near National Highway No. 8A,
Patri Gundala Road Village Moje Gundala Taluka Mundra
Kutch, Kachchh, Gujarat, 370410

25-26, SICOP Industrial Area, Kathua-184102,
Jammu & Kashmir, India

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