



**Independent Auditor's Report
Prepared for Consolidation Purposes**

From: Swarnkar & Co.
Subject: Component Audit of Gravita Ghana Limited for the year ended 31st March, 2021
To: Walker Chandiok & Co LLP, Gurugram, Hariyana

We have audited, for the purpose of your audit of the consolidated financial statements of **Gravita India Limited**, the accompanying Balance Sheet of **Gravita Ghana Limited** as at 31st March 2021, and Profit & Loss A/c and other reconciliations and information (all collectively referred to as the Fit For Consolidation (FFC) Accounts)

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of the FFC Accounts in accordance with accounting policies generally accepted in India. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the FFC Accounts that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The FFC Accounts has been prepared solely to enable Gravita India Limited to prepare its consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the FFC Accounts based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards on Auditing require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the FFC Accounts are free from material misstatement.





Swarnkar & Co

Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the FFC Accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the FFC Accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the FFC Accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the FFC Accounts.

We believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying FFC Accounts for **Gravita Ghana Limited** as of **31st March, 2021** and for the year then ended has been prepared, in all material respects, in accordance with accounting principles generally accepted in India.

Restriction on Use and Distribution

These FFC Accounts have been prepared for purposes of providing information to **Gravita India Limited**, to enable it to prepare the consolidated financial statements of the Group. As a result, these FFC Accounts are not a complete set of financial statements of Gravita India Limited, in accordance with the accounting principles generally accepted in India and is not intended to give a true and fair view of the financial position of **Gravita Ghana Limited** as of *31st March 2021*, and of its financial performance, in accordance with the accounting principles generally accepted in India. The financial information may, therefore, not be suitable for another purpose.

For Swarnkar & Co.

Chartered Accountants

Firm Reg. No.:- 025928C



Deepak Kumar Swarnkar

(Proprietor)

M. No:-424940

Date: 16-05-2021

UDIN:21424940AAAACR5133

S-4, Jai Hanuman Plaza, Laxmi Colony, Near Stadium Sanganer, Jaipur (Raj) 302029

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Gravita Ghana Limited
Balance Sheet As At March 31, 2021

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Current assets			
Financial Assets			
Trade receivables	2	113.93	109.44
Cash and cash equivalents	3	3.29	3.99
Other current assets	4	0.07	1.24
Total Assets		117.29	114.67
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	123.66	123.66
Other equity		(41.17)	(44.62)
Current liabilities			
Financial Liabilities			
Borrowings		0.94	1.07
Trade payables	6	28.87	29.17
Other current liabilities	7	-	0.01
Current tax Liabilities (net)	8	4.99	5.38
Total Equity and Liabilities		117.29	114.67

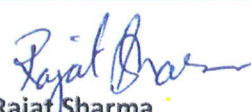
The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

For Swarnkar & Co.
Chartered Accountants
Firm Reg. No.:- 025928C


Deepak Kumar Swarnkar
(Proprietor)
M. No:-424940
Date: 16-05-2021



For and on behalf of the Board Of Directors
Gravita Ghana Ltd.


Rajat Sharma
(Director)


Gravita Ghana Limited
Statement of profit and loss for The Year Ended March 31,2021

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	9	-	1,894.28
II Other income	10	11.17	12.48
III Total income (I + II)		11.17	1,906.76
IV Expenses:			
(a) Purchases of Stock-in-trade	11	-	233.96
(b) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	12	-	1,684.94
(c) Employee benefits expense	13	-	16.39
(d) Finance costs		-	0.51
(e) Depreciation and amortisation expense	14	-	18.50
(f) Other expenses	15	1.73	86.05
Total expenses (IV)		1.73	2,040.35
V Profit before tax (III - IV)		9.44	(133.59)
VI Tax expense:			
(a) Current tax		-	-
VII Profit for the year (V - VI)		9.44	(133.59)
VIII Other comprehensive income (OCI)			
(a) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(5.99)	31.54
Other comprehensive loss		(5.99)	31.54
IX Total comprehensive income for the year (VII + VIII)		3.45	(102.05)


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

For Swarnkar & Co.
Chartered Accountants
Firm Reg. No.:- 025928C


Deepak Kumar Swarnkar
(Proprietor)
M. No:-424940
Date: 16-05-2021



For and on behalf of the Board Of Directors
Gravita Ghana Ltd.


Rajat Sharma
(Director)

Gravita Ghana Limited
Statement of changes in equity for the year ended March 31, 2021

A. Other equity

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Other equity		Total
	Reserves and surplus	Items of OCI	
	Surplus in Statement of Profit and Loss	Foreign currency translation reserve	
Balance as at April 1, 2019	101.23	(43.80)	57.43
1 Profit for the year	(133.59)	-	(133.59)
2 Other comprehensive income for the year, net of income tax	-	31.54	31.54
Total comprehensive income for the year	(133.59)	31.54	(102.05)
Balance as at March 31, 2020	(32.36)	(12.26)	(44.62)
1. Profit for the year	9.43	-	9.43
2. Other comprehensive income for the year, net of income tax	-	(5.99)	(5.99)
Total comprehensive income for the year	9.43	(5.99)	3.44
Interim dividend on equity shares	-	-	-
Balance as at March 31, 2021	(22.93)	(18.25)	(41.18)

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

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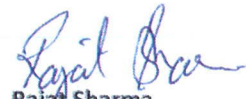
For Swarnkar & Co.
Chartered Accountants
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Deepak Kumar Swarnkar
(Proprietor)
M. No:-424940
Date: 16-05-2021



For and on behalf of the Board Of Directors
Gravita Ghana Ltd.



Rajat Sharma
(Director)

Gravita Ghana Limited
Tema, Ghana

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021
(All amounts in Rs. Lacs, unless otherwise stated)

Note 1 - General information and Significant Accounting Policies

Note 1.1 - General information

Gravita Ghana is a entity incorporated in Tema, Ghana, having registered office in Tema and having principal place of business in Ghana itself. Currently company engaged in manufacturing of Lead.

Note 1.2 - Significant Accounting Policies

I. Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, relevant amendment rules issued there after and other relevant provisions of the Act, as applicable.

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

II. Revenue recognition

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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.

Other 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.



III. Property, Plant and Equipment

- i. "Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP. Cost of acquisition or construction is inclusive of freight, duties, relevant taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets. All repair and maintenance costs are recognised in profit or loss as incurred. Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

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

IV. Financial Instruments

Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

Subsequent measurement

Non derivative financial instruments

(i) **Financial assets carried at amortised cost** : A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial liabilities**: The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts.

Trade Payable: These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition. Trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

V. Employee Benefits

Employee benefit includes Provident fund, Employee State Insurance Scheme, Gratuity fund and Compensated Absences, which are dealt with as under:

- i. **Defined Contribution plan** - Contributions to provident fund and employee state insurance scheme are charged to statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.
- ii. **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 less the fair value of plan assets. The Company makes contribution to the trust namely Gravita India Limited Employees Gratuity Trust for Employees Gratuity Scheme. 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 is not reclassified to profit or loss.
- iii. **Compensated absences** - Provision for earned leave is determined on an actuarial basis at the end of the year and is charged to the statement of profit and loss each year. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.
- iv. **Short term employee benefit** - Liability on account of short term employee benefits, comprising largely of compensated absences and performance incentives, is recognised on an undiscounted accrual basis during the period when the employee renders service.



VI. Foreign Currency Transactions

The functional currency of the Company is GHs. Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognised as income / expense in the period in which they arise.

VII. Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

(a) Raw materials and stores & spares - Cost includes 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.

(b) Stock in trade, Stock in process and finished goods- Direct cost plus appropriate share of overheads and excise duty, wherever applicable

(c) By products - At estimated realisable value Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

VIII. Use of estimates and judgement

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

(i) **Useful lives and residual value of property, plant and equipment and intangible assets** : Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.

(ii) **Revenue Recognition** : The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the control of products/services has been transferred or not. The Company considers indicators such as how customer obtains benefits as products are dispatched or whether customer has obtained legal title to the products or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(iii) **Trade Receivable**:- The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 90 days past due. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

IX. Operating Cycle

Based on the nature of products / activities of the firm and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the firm determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



Gravita Ghana Limited
Notes forming part of the financial statements

(All amounts in Rs. Lacs, unless otherwise stated)

Note 2 - Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	113.93	109.44
	113.93	109.44
Current	113.93	109.44

Note 3 - Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with banks		
-on current accounts	1.08	3.44
Cash on hand	2.21	0.55
Total	3.29	3.99

Note 4 - Other Current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Current		
Advances to vendors	-	1.04
Advances to employees	0.07	0.20
Total	0.07	1.24

Note 5 - Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
520000 Ordinary Shares of 1 GHS each	5.20 GHS	5.20 GHS
	-	-
Issued, subscribed and fully paid up		
Equity shares of Rs. 2 each	123.66	123.66



Gravita Ghana Limited
Notes forming part of the financial statements

(All amounts in Rs. Lacs, unless otherwise stated)

Note 6 - Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding dues to parties other than Micro and Small enterprises	28.87	29.17
Sundry creditors Related Party	27.79	28.45
Expenses payable	0.42	-
Employee & Workers related payables (including flexi, Bonus, LTA etc.)	0.66	0.72
	28.87	29.17
Current	28.87	29.17
Non-Current		

Note 7- Other Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Advance received from Customer-related party	-	0.01
	-	0.01

Note 8 - Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax liabilities		
Provision for taxation	4.99	5.38
	4.99	5.38

Note 9 - Revenue from operations

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
Sale of products (including excise duty)		
Traded goods	-	1,894.28
Total	-	1,894.28



Gravita Ghana Limited
Notes forming part of the financial statements

(All amounts in Rs. Lacs, unless otherwise stated)

Note 15 - Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	-	0.29
Rates and taxes	-	0.27
Legal and professional	-	3.88
Repairs and maintenance		
-Plant & machinery	-	1.02
-Buildings	-	0.85
-Others	-	(7.79)
Freight and forwarding	-	72.68
Travelling and conveyance	-	3.56
Insurance	-	1.15
Rent	-	3.11
Advertising and sales promotion	0.13	3.96
Communication	-	0.23
Printing and stationery	-	0.04
Payment to auditors	0.43	0.07
Written off/provision for doubtful trade receivables, loans and advances	1.17	-
Bank charges	-	5.03
Vehicle running expenses	-	0.69
Miscellaneous expenses	-	(2.99)
	1.73	86.05

