



R Sogani & Associates
Chartered Accountants

“Shree Dham”
R-20, Yudhishter Marg, ‘C’-Scheme, Jaipur - 302005
Tel: 2222734, 2220735, 2220736
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INDEPENDENT AUDITOR’S REPORT

From: R Sogani & Associates

Date: 25th June, 2020

**Subject: Report on Gravita Infotech for the purpose of Fit for
Consolidation for the year ended 31st March, 2020**

To: Walker Chandiook & Co LLP

In accordance with the instructions in your e-mail dated 15th April 2020, we have audited, for purpose of your audit of the consolidated financial statements of Gravita India Limited, the accompanying balance sheet of Gravita Infotech as at 31st March 2020, the Statement of profit and loss and also the Cash flow statement of the Firm for the year ended 31st March 2020 and other reconciliations and information (all collectively referred to as the Fit For Consolidation (FFC) Accounts).

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statement of Gravita Infotech for the year ended 31st March 2020, in all material respects, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India, including the Indian Accounting Standards (IND AS) specified in Companies (Indian Accounting Standard) Rules, 2016 (as amended) under section 133 of the Act, as applicable:

- a) In case of the Standalone Balance Sheet, of the state of affairs of the Firm as at March 31st, 2020;
- b) In case of the Standalone Statement of Profit and Loss including other comprehensive income, of the Loss for the year ended on that date.
- c) In case of the Standalone Cash Flow Statement, for the year ended on that date.
- d) In case of the standalone statement of changes in equity for the year ended on that date.
- e) Summary of Significant accounting policies and other explanatory information.



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Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the FFC Accounts

The management is responsible for the preparation and presentation of this FFC Accounts in accordance with accounting policies generally accepted in India, including the Indian Accounting Standards (IND AS) specified in Companies (Indian Accounting Standard) Rules, 2016 (as amended) under section 133 of the Act, as applicable. 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. This FFC Accounts has been prepared solely to enable Gravita India Limited to prepare its consolidated financial information.

Auditor’s Responsibilities

Our responsibility is to express an opinion on this 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the FFC Accounts is free from material misstatement.

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 Firm’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 Firm’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.



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

Restriction to use and Distribution

These FFC accounts have been prepared for the solely purpose of providing information to **Walker Chandiok & Co LLP** to enable it to prepare the consolidated financial statement of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified in Companies (Indian Accounting Standard) Rules, 2016 (as amended) under section 133 of the Act, as applicable.

Place: Jaipur

Date: 25th June, 2020

UDIN: 20403023AAAADN1397

For R Sogani & Associates

Chartered Accountants

FRN: 018755C

BHARAT Digitally signed
by BHARAT
SONKHIYA SONKHIYA

A Date: 2020.06.25
12:33:53 +05'30'

(Bharat Sonkhiya)

Partner

Membership No.: 403023

Gravita Infotech

Registration number: 13/314/2011

Regs. Office: 303, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004

Balance Sheet as at March 31, 2020

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

Particulars	Note	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non - current assets			
Property, plant and equipment	2	6.07	6.99
Income tax assets (net)		0.32	0.34
		6.39	7.33
Current assets			
Financial Assets			
Trade receivables	3	-	0.02
Cash and cash equivalents	4	0.26	1.01
Other current assets	5	1.07	1.04
		1.33	2.07
Total Assets		7.72	9.40
II. EQUITY AND LIABILITIES			
Equity			
Partner's capital	6	7.63	9.40
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	7	0.09	-
		0.09	-
		0.09	-
Total Equity and Liabilities		7.72	9.40

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

In terms of our report attached.

For R Sogani & Associates

Chartered Accountants

Firm's Registration No.: 018755C

Bharat Sonkhiya

Partner

Membership No: 403023



In confirmation of the facts

For Gravita Infotech

Rajat Agrawal

Rajat Agrawal

DIN: 00855284

Managing Director of partner company Gravita India Limited and Gravita Infotech Limited



Place: Jaipur

Date: 25 JUN 2020

Place: Jaipur

Date: 25 JUN 2020

Name of the Company
Name of the Director
Name & Designation of
Office in Charge

Gravita Infotech

Registration number: 13/314/2011

Regs. Office: 303, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004

Statement of Profit and Loss for the year ended March 31, 2020

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

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I Income		-	-
Total income (I)		-	-
II Expenses			
Employee benefits expense	8	0.02	0.04
Depreciation and amortisation expense	9	0.91	0.92
Other expenses	10	0.15	0.09
Total expenses (II)		1.08	1.05
III Profit before tax (I - II)		(1.08)	(1.05)
IV Tax expense	11		
Current tax		0.01	(0.14)
Deferred tax charge		-	-
Total tax expense		0.01	(0.14)
V Profit for the year (III - IV)		(1.09)	(0.91)
VI Other comprehensive income		-	-
VII Total comprehensive income for the year (V + VI)		(1.09)	(0.91)
IX Profit distribution to Partners			
Gravita India Limited		(0.53)	(0.45)
Gravita Infotech Limited		(0.56)	(0.46)

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

In terms of our report attached.

For R Sogani & Associates

Chartered Accountants

Firm's Registration No.: 018755C

Bharat Sonkhiya

Partner

Membership No: 403023



Place: Jaipur

Date: 25 JUN 2020

In confirmation of the facts

For Gravita Infotech



Rajat Agrawal

DIN: 00855284

Managing Director of partner company Gravita India Limited and Gravita Infotech Limited

Place: Jaipur

Date: 25 JUN 2020

Gravita Infotech

Registration number: 13/314/2011

Regs. Office: 303, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004

Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

Note 1 - General information and Significant Accounting Policies

Note 1.1 - General information

The firm is engaged in the business of information Technology, Software, Web & mobile applications and all other Information technology related services.

Note 1.2 - Statement of compliance

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") and other relevant provisions of the Act, as applicable.

Note 1.3 - Significant Accounting Policies

I. Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost basis and generally as per requirement of Indian Partnership Act 1932. The accounting policies not specifically mentioned are consistent with generally accepted accounting principles except for certain financial instruments which are measured at fair value at the end of each reporting period.

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 firm 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. Property, Plant and Equipment

- i. Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2017 measured as per the previous GAAP. Cost is inclusive of inward freight, non refundable duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold Land is not depreciated.



Gravita Infotech

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Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

III. A. Depreciation / amortisation

- i. The firm is following the straight line method of depreciation in respect of Property, plant and equipment.
- ii. Depreciation on all tangible assets is provided over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold Land is not depreciated.
- iii. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
- iv. Intangible assets, comprising of development expenditure on technical know how and commercial rights are amortised on a straight line method over a period of 5 years.

IV 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, intangible assets and investment properties:** 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) **Deferred tax assets:** The Firm has reviewed the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

V 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.



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 Summary of the significant accounting policies and other explanatory information
 For the year ended March 31, 2020
 (All amounts in Rs. lacs, unless otherwise stated)

Note 2 - Property, plant and equipment

Particulars	Office Equipment	Computer and accessories	Furniture and fixtures	Total
Gross carrying amount				
As at April 1, 2018	2.36	6.76	6.55	15.67
Additions during the year	-	(1.27)	-	(1.27)
Disposals/ Adjustments	-	-	-	-
As at March 31, 2019	2.36	5.49	6.55	14.40
Additions during the year	-	-	-	-
Disposals/ Adjustments	-	(0.37)	-	(0.37)
As at March 31, 2020	2.36	5.12	6.55	14.03
Accumulated depreciation				
As at April 1, 2018	0.50	6.13	1.05	7.68
Charge for the year	0.25	-	0.67	0.92
Deletions	-	(1.19)	-	(1.19)
As at March 31, 2019	0.75	4.94	1.72	7.41
Charge for the year	0.25	-	0.66	0.91
Deletions	-	(0.36)	-	-0.36
As at March 31, 2020	1.00	4.58	2.38	7.96
Net carrying value				
As at March 31, 2019	1.61	0.55	4.83	6.99
As at March 31, 2020	1.36	0.54	4.17	6.07



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Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

Note 3 - Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Trade receivables - considered good	-	0.02
Total	-	0.02

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed below:

Particulars	As at March 31, 2020	As at March 31, 2019
Amount not yet due	-	-
Between one to six month overdue	-	0.02
Greater than six month overdue	-	-
Total	-	0.02

Note 4 - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks - in current accounts	0.26	0.50
Cash on hand	-	0.51
Total	0.26	1.01

Note 5 - Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with government authorities	1.07	1.04
Total	1.07	1.04

Note 6 - Partner's capital

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed capital		
Gravita India Limited	0.98	0.98
Gravita Infotech Limited	1.02	1.02
Current capital		
Gravita India Limited	5.82	7.55
Gravita Infotech Limited	(0.19)	(0.15)
Total	7.63	9.40



Gravita Infotech

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Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

Note 7 - Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro and small enterprises ⁽ⁱ⁾	-	-
Total outstanding dues of creditors other than micro and small enterprises	0.09	-
Total	0.09	-

(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 Firm, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED Act, 2006') at the year end are below, This has been relied upon by the auditors.

Particulars	As at March 31, 2020	As at March 31, 2019
i Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
ii Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
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	-	-
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.	-	-

Note 8 - Employee benefits expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Staff welfare expenses	0.02	0.04
Total	0.02	0.04



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Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

Note 9 - Depreciation and amortisation expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	0.91	0.92
Total	0.91	0.92

Note 10 - Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to auditors ⁽ⁱ⁾	0.08	0.08
Bank charges	0.07	0.01
Total	0.15	0.09

(i) Payment to auditors

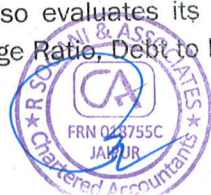
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
- Audit fee	0.08	0.08
Total	0.08	0.08

Note 11 - Tax expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current tax expense	-	-
Tax relating to earlier years	0.01	(0.14)
	0.01	(0.14)
Deferred tax		
	-	-
Income tax recognised in Profit and Loss	0.01	(0.14)

Note 12 - Capital Management

The Firm manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the partners through maintaining reasonable balance between Debt and equity. The capital structure of the firm consists of net debt (borrowings net of cash and cash equivalents) and total equity of the firm. The firm is not subject to any externally imposed capital requirements. The firm's management reviews the capital structure of the firm on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The firm also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio, Debt to EBITDA Ratio to arrive at an appropriate level of debt and accordingly evolve its capital structure.



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Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

Note 13 - Related party disclosures under Accounting Standard Ind-AS - 24 "Related Party Disclosures"

(i) Name of related parties and nature of related party relationship

(a) Partners

Particulars	Partner share in Gravita Infotech	
	March 31, 2020	March 31, 2019
Gravita India Limited	49.00	49.00
Gravita Infotech Limited	51.00	51.00

(b) Entities over which Key Managerial Personnel and / or their relatives exercise significant influence:

M/s Gravita Metal Inc

M/s Shasin Industries (Formerly known as M/s Gravita Metals) upto March 20, 2020

M/s Recycling Infotech LLP

(ii) Detail of transaction and balance outstanding with related parties

Transactions with related parties:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales		
Partner		
Gravita India Limited	0.02	0.09

Closing balances with related parties:

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables / advances		
Gravita India Limited		0.02
Current capital account		
Gravita India Limited	5.82	7.55
Gravita Infotech Limited	(0.19)	(0.15)

In terms of our report attached.

For R Sogani & Associates

Chartered Accountants

Firm's Registration No.: 018755C

Bharat Sonkhiya

Partner

Membership No: 403028



Place: Jaipur

Date: 25 JUN 2020

In confirmation of the facts

For Gravita Infotech

Rajat Agrawal

DIN: 00855284

Managing Director of partner company Gravita India Limited and Gravita Infotech Limited



Place: Jaipur

Date: 25 JUN 2020