



## U S Rathore & Co.

CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITORS' REPORT

#### TO THE MANAGEMENT OF GRAVITA JAMAICA LIMITED

##### Report on the Financial Statements

We have audited the accompanying financial statements of Gravita Jamaica Ltd which comprise the statement of financial position as at March 31, 2018, and the income statement, statement of profit & loss and other comprehensive income, statement of changes in equity for the year ended and a summary of significant accounting policies and other explanatory information of the financial statements.

##### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with accounting principles generally accepted in Jamaica, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 made by Management, as well as evaluating the overall presentation of the financial statements.

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



**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Branch as at March 31, 2018, and of its financial performance for the year accordance with Jamaica Accounting Standards,

**For U S Rathore & Co  
Chartered Accountants  
FRN 014632C**



**Deepak Kumar Swarnkar  
Partner  
Membership No. 424940**





(Amount in JMD)

	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	1	114,106,322	3,610,452
Capital work -in-progress	1	8,824,966	70,460,546
Other non-current assets	2	2,000,000	-
		<b>124,931,289</b>	<b>74,070,998</b>
<b>Current Assets</b>			
Inventories	3	21,814,164	2,698,866
Financial assets			
Cash and cash equivalents	4	2,961,782	1,796,523
Other financial assets	5	779,817	976,547
Other current assets	6	4,250,916	3,242,095
		<b>29,806,679</b>	<b>8,714,031</b>
<b>TOTAL ASSETS</b>		<b>154,737,968</b>	<b>82,785,029</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	25,772,000	10,000
Other Equity	8	(18,371,609)	-
		<b>7,400,391</b>	<b>10,000</b>
<b>Non-Current Liabilities</b>			
Financial liabilities			
Long-term borrowings	9	33,755,045	28,349,077
		<b>33,755,045</b>	<b>28,349,077</b>
<b>Current Liabilities</b>			
Outstanding other than micro and small enterprises	10	85,643,816	47,513,626
Provisions	11	106,970	-
Other current liabilities	12	27,831,746	6,912,326
		<b>113,582,532</b>	<b>54,425,952</b>
<b>TOTAL LIABILITIES</b>		<b>154,737,968</b>	<b>82,785,029</b>

Significant Accounting Policies & Notes on accounts

As per our report of even date attached

For U S Rathore & Co  
Chartered Accountants  
FRN: 014632C




Deepak Kumar Swarnkar  
Partner

M. No:-412362

Date: 21.05.2018

Place

For & on behalf of the Board of Directors



**Naresh Gohel**  
(Director)

GRAVITA JAMAICA LIMITED  
Statement of Profit and Loss account for the period ended on 31st March 2018

		JMD
	Notes	For the year ended March 31, 2018
<b>INCOME</b>		
Revenue from operations	13	64,488,470
Other income	14	37,354
<b>Total revenue (I)</b>		<b>64,525,824</b>
<b>EXPENSES</b>		
Cost of materials consumed	15	18,241,913
Purchase of stock-in-trade (traded goods)	16	1,290,483
Changes in inventories of finished goods, work-in-progress and stock-in-trade	17	(5,584,239)
Excise duty		-
Employee benefits expenses	18	22,062,465
Finance costs	19	635,857
Depreciation and amortisation expenses	1	7,975,214
Other expenses	20	38,275,741
<b>Total expenses (II)</b>		<b>82,897,434</b>
<b>PROFIT BEFORE TAX (I - II)</b>		<b>(18,371,609)</b>
Add: Exceptional items		-
<b>PROFIT BEFORE TAX</b>		<b>(18,371,609)</b>
Prior Period Items		-
<b>Profit Before Tax</b>		<b>(18,371,609)</b>
Less: Tax expense		-
Current tax		-
Less: Minimum alternate tax (MAT) credit		-
Excess provision for tax relating to earlier years written back		-
Net current tax expense		-
Deferred tax		-
Net tax expense		-
<b>PROFIT FOR THE YEAR/PERIOD</b>		<b>(18,371,609)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>A Items that will not be reclassified to the statement of profit &amp; loss</b>		
Remeasurement benefit of defined benefit plans		
Income tax expense on remeasurement benefit of defined benefit plans		
<b>B Items that will be reclassified to the statement of profit &amp; loss</b>		
(a) The effective portion of gains and loss on hedging instruments		
(b) Changes in Foreign Currency translation reserve account(FCTR)		
(II) Income tax relating to items that will be reclassified to profit or loss		
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(18,371,609)</b>

Significant Accounting Policies & Notes on accounts

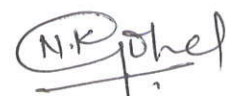
**As per our report of even date**

For Santosh Ojha & Associates  
Chartered Accountants  
Firm Reg. No.:- 109226W

  
Mohit Kumawat  
Partner  
M. No:-412362  
Date:



**For & on behalf of the Board of Directors**



**Naresh Gohel**  
(Director)  
Gravita Jamaica Ltd

Note:1 Property, plant and equipment

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				IN LC NET BLOCK		
	As on 01.04.2017	Addition	Adjustment	Translation Difference	As on 31.03.2018	As on 31.03.2017	Current Year Depreciation	Sold/ Adjustments	As on 31.03.2018	As on 31.03.2017	As 31.03.2018
Buildings-factory	-	10,227,905	-	-	10,227,905	-	155,984	-	155,984	-	10,071,921
Plant & Equipment	2,431,567	102,632,463	-	-	105,064,031	33,502	7,388,358	-	7,421,860	2,398,066	97,642,170
Office Equipment	-	546,900	-	-	546,900	-	42,874	-	42,874	-	504,226
Computer and Accessories	34,949	126,742	8,640	-	153,051	11	45,276	1,767	43,520	34,938	109,531
Furniture & Fixtures	40,000	490,942	-	-	530,942	5,840	34,322	-	40,162	34,160	490,780
Vehicles	1,200,000	4,453,004	-	-	5,653,004	56,712	308,600	-	365,312	1,143,288	5,287,692
	<b>3,706,516</b>	<b>118,477,956</b>	<b>8,640</b>	-	<b>122,175,832</b>	<b>96,065</b>	<b>7,975,214</b>	<b>1,767</b>	<b>8,069,512</b>	<b>3,610,451</b>	<b>114,106,320</b>
CWIP	70,460,546	822,715	70,460,546	-	822,715	-	-	-	-	70,460,546	8,824,966
<b>Grand Total</b>	<b>74,167,062</b>	<b>119,300,671</b>	<b>70,469,186</b>	-	<b>122,998,547</b>	<b>96,065</b>	<b>7,975,214</b>	<b>1,767</b>	<b>8,069,512</b>	<b>74,070,997</b>	<b>122,931,286</b>



Notes forming part of the Financial Statements for the period ended March 31, 2018

Note 2: OTHER NON-CURRENT ASSETS	JMD	JMD
	March 31, 2018	March 31, 2017
	As at March 31, 2018	As at March 31, 2017
-Security deposits	2,000,000	-
	2,000,000	-

Note 3: INVENTORIES (At lower of cost and net realisable value)	As at March 31, 2018	As at March 31, 2017
Raw material	680,516	2,698,866
Work-in-progress	680,516	2,698,866
Finished goods (other than those acquired for trading)	1,982,370	-
	2,311,386	-
Goods in transit-Trade	2,311,386	-
	1,290,483	-
	1,290,483	-
Stores and spares	3,637,750	-
Consumables	264,292	-
Goods in transit-CS	11,647,366	-
	11,911,659	-
	21,814,164	2,698,866

Note 4: CASH AND BANK BALANCES	For the year ended March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Cash on hand	217,291	22,802
in current accounts	2,744,492	1,773,721
Other Balances with Banks	2,961,782	1,796,523
	2,961,782	1,796,523

Note 5: OTHER CURRENT FINANCIAL ASSETS	For the year ended March 31, 2018	As at March 31, 2017
- Securities Less than 12 Months	779,817	976,547
	779,817	976,547

Note 6: OTHER CURRENT ASSETS	For the year ended March 31, 2018	As at March 31, 2017
Advance to employees including imprest Unsecured, considered good-OCA	-	2,067,876
	-	312,542
Less: Provision for doubtful advances	-	312,542
	-	-
	-	312,542
Prepaid Exp.	-	191,065
GCT Refund Claim	4,250,916	670,612
	4,250,916	3,242,095



JMD	JMD
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Note 7: SHARE CAPITAL	For the year ended March 31, 2018	As at March 31, 2017
<b>Authorised share capital</b>		
25772000 Equity Shares of JMD 1 each	25,772,000	10,000
<b>Issued, subscribed and paid up capital</b>		
25772000 Equity Shares of JMD 1 each	25,772,000	10,000
	25,772,000	10,000

**Notes:**

## (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	Number of shares
Balance at 1 April, 2016	10,000
Movements	
Add:	25,762,000
Balance at 31 March, 2017	25,772,000
Movements	
Add: ESOP	-
Balance at 30 June, 2017	25,772,000

Note 8: OTHER EQUITY	For the year ended March 31, 2018	As at March 31, 2017
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance-PL	-	-
Add: Profit for the year	(18,371,609)	-
Closing balance	(18,371,609)	-
	(18,371,609)	-

Note 9: LONG-TERM BORROWINGS	Non-current portion		Current maturities
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
<b>Unsecured</b>			
Term Loan from other parties	33,755,045	28,349,077	-
	33,755,045	28,349,077	-
	33,755,045	28,349,077	-

Note 10: TRADE PAYABLES	For the year ended March 31, 2018	As at March 31, 2017
Trade payables other than micro and small enterprises (other than acceptance)	85,643,816	47,513,626
	85,643,816	47,513,626

Note 11: SHORT-TERM PROVISIONS	For the year ended March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Provision for compensated absences	106,970	-
	106,970	-



Notes forming part of the Financial Statements for the period ended March 31, 2018

Note 12: OTHER CURRENT LIABILITIES	JMD	JMD
	For the year ended March 31, 2018	As at March 31, 2017
Other payables		
Statutory remittances	58,933	122,639
Advance from related party	14,157,773	-
-Contractually reimbursable expenses to related parties (refer note 39(h))	11,817,589	6,495,454
Others Payables	1,797,451	294,233
	27,831,746	6,912,326

Note 13: REVENUE FROM OPERATIONS	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (inclusive of excise duty) (refer note (i))	64,488,470	
Revenue from operations (Gross)	64,488,470	-
Notes:		
(i) Sale of products comprises		
Manufactured goods (refer note (a))	64,488,470	-
	64,488,470	-

Note 14: OTHER INCOME	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on:		
Others	37,354	-
	37,354	-

Note 15: COST OF MATERIALS CONSUMED <sup>(2)</sup>	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials <sup>(1)</sup>		
Opening stock	2,698,866	
Add: Purchases	10,823,707	2,698,866
Less: Closing stock	680,516	2,698,866
Consumption of RM	12,842,057	-
Consumables (including stores and spares) <sup>(1)</sup>		
Add: Purchases	20,949,265	-
Less: Closing stock	15,549,409	-
Consumption of CS	5,399,856	-
	18,241,913	-

Note 16: PURCHASE OF STOCK-IN-TRADE (TRADED GOODS)	For the year ended March 31, 2018	For the year ended March 31, 2017
Details of purchase of stock-in-trade (traded goods) (product-wise)		
Others-Trading Goods	1,290,483	-
	1,290,483	-

Note 17: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year (I)		
Finished goods	2,311,386	-
Work-in-progress <sup>(1)</sup>	1,982,370	-
Stock-in-trade (traded goods)	1,290,483	-
Inventories at the beginning of the year (II)	5,584,239	-
Finished Goods	-	-
Work-in-progress	-	-
Stock-in-trade (traded goods)	-	-
Decrease/ (increase) ((II) - (I))	(5,584,239)	-





Notes forming part of the Financial Statements for the period ended March 31, 2018

JMD	JMD
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Note 18: EMPLOYEE BENEFITS EXPENSES	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	20,141,992	-
Staff welfare expenses	1,920,473	-
	<b>22,062,465</b>	-

Note 19: FINANCE COSTS	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on:		
- Borrowings	635,857	-
	<b>635,857</b>	-

Note 20: OTHERS EXPENSES	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and fuel	7,214,719	-
Rent	5,803,947	-
Plant and machinery-RM	3,135,456	-
Buildings-RM	2,243,589	-
Others-RM	226,996	-
Insurance	183,167	-
Freight and forwarding	3,630,819	-
Travelling and conveyance	5,437,272	-
Legal and professional	893,582	-
Advertising and sales promotion	200,292	-
Communication	385,892	-
Training and recruitment	773,057	-
Printing and stationery	90,166	-
Minimum business tax	60,000	-
Written off/ Provision for doubtful trade receivables, loans and advances	(2,275)	-
Net loss on foreign currency transactions and translation (other than	(1,085,844)	-
Loss on fixed assets discarded/ scrapped / written off	6,873	-
Bank charges	265,851	-
Miscellaneous Expenses	8,812,183	-
	<b>38,275,741</b>	-

