



## **INDEPENDENT AUDITOR’S REPORT**

**To**

**The Partners**

**Gravita Metal Inc**

**Report on the Financial Statements**

### **Opinion**

We have audited the accompanying Financial statements of **Gravita Metal Inc** (“the Firm”) which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, and the statement of profit and loss for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true & fair view of the financial position of the entity as 31<sup>st</sup> March 2023, and of its loss for the year then ended in accordance with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Firm in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 is sufficient and appropriate to provide a basis for our opinion.

### **Information other than the Financial Statements and Auditor’s Report thereon**

The Management is responsible for the preparation of these financial statements. The other information comprises the information included in the Annual Report, but does not include the 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 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 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 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 report the fact.

On audit report date, we have nothing to report in this regard, because the annual report is expected to be made available to us after the date of this auditor's report.

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

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Firm in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS), as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Firm 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 financial statement that give a true and fair view and are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Firm'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 Firm or to cease operations or has no realistic alternative but to do so.

The Management is also responsible for overseeing the Firm's financial reporting process.





### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 SAs 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Firm'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 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 Firm to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the





financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

### **Report on Other Legal and Regulatory Requirements**

We report 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 purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Firm so far as it appears from our examination of those books.
- c. The Balance Sheet, and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS), as applicable.
- e. With respect to other matters in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Firm does not have pending litigations which would impact its financial position.





**R Sogani & Associates**  
Chartered Accountants

Shree Dham  
R-20, Yudhishter Marg, 'C'-Scheme, Jaipur - 302005  
Tel: 2222734, 2220735, 2220736  
E-mail: rsa@soganiprofessionals.com  
Website: www.soganiprofessionals.com

- ii. The Firm did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**Place: Jaipur**  
**Date: 29 APR 2023**

**For R Sogani & Associates**  
**Chartered Accountants**  
**FRN: 018755C**


**(Bharat Sonkhiya)**  
**Partner**

**UDIN: 23403023 BG SXBS4706**

**Membership No.: 403023**

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>Non - current assets</b>			
Property, Plant and Equipment	2	288.51	234.56
Capital work-in-progress	3	0.88	17.59
Right of Use Assets	4	0.49	0.49
<b>Financial Assets</b>			
Loans	6	-	-
Others	5	427.76	389.87
Tax Assets (net)	19	-	10.96
Other non current assets	7	-	28.04
<b>Total non-current assets</b>		<b>717.64</b>	<b>681.51</b>
<b>Current assets</b>			
Inventories	8	304.01	742.82
<b>Financial Assets</b>			
Investments		-	-
Loans	6	50.00	184.31
Trade receivables	9	586.83	110.47
Cash and cash equivalents	10	1.20	0.58
Bank balances other than above	11	258.64	258.30
Current Tax Assets (Net)	19	18.52	19.69
Other current assets	7	4.36	66.88
Others financial assets	6	16.89	2,188.91
Assets held-for-sale		-	-
<b>Total current assets</b>		<b>1,240.45</b>	<b>3,571.96</b>
<b>TOTAL ASSETS</b>		<b>1,958.09</b>	<b>4,253.48</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Partner's capital	12	100.00	100.00
<b>Partner's capital</b>		<b>100.00</b>	<b>100.00</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	8.85	0.92
Provisions	14	6.80	1.35
Deferred tax liabilities (net)	15	30.05	37.23
<b>Total non-current liabilities</b>		<b>45.70</b>	<b>39.50</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	245.76	2,844.27
Trade payables	16	20.28	157.34
Other financial liabilities	17	1,197.78	747.30
Other current liabilities	18	28.28	5.19
Provisions	14	0.21	4.35
Current tax liabilities (net)		320.08	355.54
<b>Total current liabilities</b>		<b>1,812.39</b>	<b>4,113.99</b>
<b>Total liabilities</b>		<b>1,858.09</b>	<b>4,153.48</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,958.09</b>	<b>4,253.48</b>

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

For R Sogani & Associates  
Chartered Accountants  
Firm's Registration No.: 018755C

  
Bharat Sonkhya  
Partner  
Membership No: 403023

Place: Jaipur  
Date : 29th april 2023

In confirmation of the facts  
For Gravita Metal Inc.

  
Yogesh Malhotra  
DIN: 05332393  
Whole Time Director & CEO of Partner  
Company Gravita India Limited

Place: Jaipur  
Date : 29th april 2023

  
Vijendra Singh Tanwar  
DIN: 00855175  
Director of Partner Company  
Gravita Infotech Limited



Place: Jaipur  
Date : 29th april 2023

Statement of Profit and Loss for the period ended March 31, 2023  
(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Note	For the period ended March 31, 2023	For the period ended March 31, 2022
<b>I Income</b>			
Revenue from operations	20	7,052.75	9,346.66
Other income	21	42.91	42.50
<b>Total income (I)</b>		<b>7,095.66</b>	<b>9,389.16</b>
<b>II Expenses</b>			
Cost of materials consumed	22	6,280.51	9,117.38
Purchases of Traded goods		-	-
Changes in inventories of finished goods, work-in-progress and traded goods	23	360.83	(292.01)
Employee benefits expense	24	193.12	185.96
Finance costs	25	76.14	169.60
Depreciation and amortisation expense	26	25.19	24.56
Other expenses	27	178.92	644.07
<b>Total expenses (II)</b>		<b>7,114.71</b>	<b>9,849.56</b>
<b>III Profit before tax (I - II)</b>		<b>(19.05)</b>	<b>(460.40)</b>
<b>IV Tax expense</b>	28		
Current tax		-	-
Deferred tax charge		(7.17)	(32.77)
<b>Total tax expense</b>		<b>(7.17)</b>	<b>(32.77)</b>
<b>V Profit for the year (III - IV)</b>		<b>(11.88)</b>	<b>(427.63)</b>
<b>VI Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities		-	-
Income tax on above items		-	-
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>
<b>VII Total comprehensive income for the year (V + VI)</b>		<b>(11.88)</b>	<b>(427.63)</b>

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

For R Sogani & Associates  
Chartered Accountants  
Firm's Registration No.: 018755C

Bharat Sonkhiya  
Partner

Membership No: 403023

Place: Jaipur

Date : 29th april 2023

Inconfirmation of the facts  
For Gravita Metal Inc.

Yogesh Malhotra  
DIN: 05332393

Whole Time Director & CEO of Partner  
Company Gravita India Limited

Place: Jaipur

Date : 29th april 2023

Vijendra Singh Tanwar  
DIN: 00855175

Director of Partner Company  
Gravita Infotech Limited

Place: Jaipur

Date : 29th april 2023



## Summary of the significant accounting policies and other explanatory information

For the period ended March 31, 2023

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

## Note 2 - Property, plant and equipment

Particulars	Buildings	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
As at March 31, 2021	71.16	240.77	2.26	0.73	0.66	27.13	342.71
Additions during the year	-	10.08	0.72	2.24	-	-	13.04
Disposals/ Adjustments	-	-	-	-	-	-	-
As at March 31, 2022	71.16	250.85	2.98	2.97	0.66	27.13	355.75
Additions during the Period	52.72	22.07	1.06	-	0.30	12.52	88.67
Disposals/ Adjustments	(0.29)	(24.32)	(0.53)	(0.11)	-	-	(25.24)
As at March 31, 2023	123.59	248.60	3.51	2.86	0.96	39.65	419.18
Accumulated depreciation							
As at March 31, 2021	14.67	71.29	1.09	0.39	0.24	8.98	96.66
Charge for the year	3.08	17.28	0.50	0.35	0.06	3.23	24.49
Deletions	-	-	0.03	-	-	-	0.03
As at March 31, 2022	17.75	88.57	1.62	0.74	0.30	12.21	121.19
Charge for the Period	4.20	15.61	0.47	0.78	0.05	4.07	25.18
Deletions	(0.02)	(15.14)	(0.49)	(0.05)	-	-	(15.70)
As at March 31, 2023	21.93	89.04	1.60	1.47	0.35	16.28	130.67
Net carrying value							
As at March 31, 2022	53.41	162.28	1.36	2.23	0.36	14.92	234.56
As at March 31, 2023	101.66	159.56	1.91	1.39	0.61	23.37	288.51





M/s Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)



Summary of the significant accounting policies and other explanatory information

For the period ended March 31, 2023

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

**Note 3 - Capital work-in-progress**

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	17.59	0.64
Net movement during the year	(16.71)	16.95
At the end of the year	0.88	17.59

**Note 4 - Right-of-use assets**

Particulars	Land	Total
<b>Gross carrying amount</b>		
As at March 31, 2021	1.61	1.61
Additions during the year	0.49	0.49
Disposals/ Adjustments	-	-
As at March 31, 2022	2.10	2.10
Additions during the Period	-	-
Disposals/ Adjustments	-	-
As at March 31, 2023	2.10	2.10
<b>Accumulated depreciation</b>		
As at March 31, 2021	1.61	1.61
Charge for the year		
Deletions		-
As at March 31, 2022	1.61	1.61
Charge for the Period		-
Deletions		-
As at March 31, 2023	1.61	1.61
<b>Net carrying value</b>		
As at March 31, 2022	0.49	0.49
As at March 31, 2023	0.49	0.49



M/s Gravita Metal Inc.

Summary of the significant accounting policies and other explanatory information  
For the period ended March 31, 2023  
(All amounts in Rs. lacs, unless otherwise stated)

Note 5 - Others financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non Current		
Security Deposits-Non Current	2.11	2.32
Others (amount deposited with Government authorities)-non current	425.65	387.55
<b>Total (a)</b>	<b>427.76</b>	<b>389.87</b>
(b) Current		
Other Financial assets	-	2,188.91
Others (amount deposited with Government authorities)-current	15.21	58.81
Other recoverable	1.66	-
Expenses- Employee & Workers Receivable	0.02	-
<b>Total (b)</b>	<b>16.89</b>	<b>2,247.72</b>

\* Represent lien with banks and financial institution and are restricted from being exchanged or used to settle a liability.



**Note 6 - Loans**

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good Non-current		
<b>Total</b>	-	-
Unsecured, considered good Current		
Security deposits	-	-
Loans given to others	50.00	184.31
<b>Total</b>	<b>50.00</b>	<b>184.31</b>

**Note 7 - Other assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good Non-current		
Capital advances	-	28.04
<b>Total</b>	-	<b>28.04</b>
Unsecured, considered good Current		
Advances to vendors	3.83	7.44
Advances to employees	-	0.02
Prepaid expenses	0.53	0.61
Balance with government authorities	-	58.81
<b>Total</b>	<b>4.36</b>	<b>66.88</b>

**Note 8 - Inventories \***

(At lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	11.03	86.01
Goods-in-transit	0.28	9.44
Work-in-progress	137.66	286.51
Finished goods	88.77	300.73
Stores and spares	23.39	18.31
Consumables	42.88	41.82
<b>Total</b>	<b>304.01</b>	<b>742.82</b>

\* Refer note 13 for hypothecation as securities with bank/ financial institutions on inventories.

**Note 9 - Trade receivables\***

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Trade receivables - considered good	586.83	110.47
<b>Total</b>	<b>586.83</b>	<b>110.47</b>

\* Refer note 13 for hypothecation as securities with bank/ financial institutions on trade receivables.



**Note 10 - Cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- in current accounts	-	0.01
Cash on hand	1.20	0.57
<b>Total</b>	<b>1.20</b>	<b>0.58</b>

**Note 11 - Bank balances Other than cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits	258.64	258.30
<b>Total</b>	<b>258.64</b>	<b>258.30</b>

**Note 12 - Partner's Capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Fixed Capital</b>		
Gravita India Limited	95.00	95.00
Gravita Infotech Limited	5.00	5.00
<b>Current Capital</b>		
Gravita India Limited	-	(4.62)
Gravita Infotech Limited	-	4.62
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**Note 13 - Borrowings<sup>(1)</sup>**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current borrowings<sup>(2)</sup></b>		
<b>Secured</b>		
Vehicle loans	9.99	6.35
Less: Current maturities disclosed under other financial liabilities	(1.14)	(5.43)
<b>Total</b>	<b>8.85</b>	<b>0.92</b>
<b>Current borrowings<sup>(3)</sup></b>		
<b>Loans repayable on demand - From banks (secured)</b>		
Cash credit / overdraft	244.62	613.83
Current maturities disclosed under other financial liabilities	1.14	5.43
<b>Unsecured</b>		
From institutions other than banks (unsecured)	-	2,225.01
<b>Total</b>	<b>245.76</b>	<b>2,844.27</b>

1. There is no default in repayment of principal repayment or interest thereon.

2. Repayment terms and security disclosure for the outstanding non-current borrowings (including current maturities) are as follows:

i. Vehicle loan from banks of Rs. 9.99 lacs (March 31, 2022: Rs. 6.35 lacs) carry interest @ 8.50% p.a. The loans are secured by way of hypothecation of vehicles and repayable in equal monthly installments over a period of 48 months.

3. Security disclosure for the outstanding current borrowings are as follows:

i. Loans repayable on demand from banks are secured by way of:

(a) Hypothecation of all kinds of stocks of raw material, SFG and FG, consumables, trade receivables of the firm.

(b) Mortgage of lease hold rights of factory land situated at plot no. 25 & 26, situated at SICOP, Industrial Area, Kathua, (J&K) in the name of M/S Gravita Metal Inc.

(c) Hypothecation of plant & machinery and other fixed assets of the firm (present & future) situated at SICOP, Industrial Area, Kathua, (J&K).

(d) Mortgage of Flat 102 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Gravita Infotech Limited.

(e) Corporate guarantee of Gravita India Limited and Gravita Infotech Limited.(Partner companies)

(f) Personal guarantee of Managing Director of partner companies Mr. Rajat Agrawal.



M/s Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the period ended March 31, 2023

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



**Note 14 - Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current provisions</b>		
- For Gratuity	5.34	2.99
- For Compensated absences	1.46	(1.64)
Provision for other liabilities	-	-
<b>Total</b>	<b>6.80</b>	<b>1.35</b>
<b>Current provisions</b>		
- For Gratuity	0.11	1.29
- For Compensated absences	0.10	3.06
<b>Total</b>	<b>0.21</b>	<b>4.35</b>

**Note 15 - Deferred tax liabilities (net)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax liability arising on account of:</b>		
Property, plant and equipment and intangible assets	26.52	27.03
Incentive income	6.03	11.57
Other temporary differences	0.17	0.17
<b>Gross deferred tax liabilities</b>	<b>32.72</b>	<b>38.77</b>
<b>Deferred tax asset arising on account of:</b>		
Provision for employee benefits and other liabilities deductible on actual payment	0.62	(43.57)
Other temporary differences	2.04	45.11
<b>Gross deferred tax assets</b>	<b>2.66</b>	<b>1.54</b>
<b>Deferred tax liabilities (net)</b>	<b>30.05</b>	<b>37.23</b>

**Deferred tax movements**

Movement of net deferred tax assets and liabilities for the period ended March 31, 2023 is as follows:

Particulars	Opening balance	(Charge)/ credit in Statement of Profit and loss	(Charge)/ credit in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	8.30	(0.51)	-	7.79
Provision for employee benefits and other liabilities deductible on actual payment	49.72	(5.23)	-	44.49
Incentive income	(20.96)	(0.45)	-	(21.41)
Others	0.17	(0.99)	-	(0.82)
<b>Total</b>	<b>37.23</b>	<b>(7.18)</b>	<b>-</b>	<b>30.05</b>



M/s Gravita Metal Inc.  
25, SIPCOP, IND, Area, Kathua (J&K)



Summary of the significant accounting policies and other explanatory information  
For the period ended March 31, 2023  
(All amounts in Rs. lacs, unless otherwise stated)

Movement of net deferred tax assets and liabilities for the year ended March 31, 2022 is as follows:

Particulars	Opening balance	(Charge)/ credit in Statement of Profit and loss	(Charge)/ credit in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(18.70)	27.00	-	8.30
Provision for employee benefits and other liabilities deductible on actual payment	6.15	43.57	-	49.72
Incentive income	(63.45)	42.49	-	(20.96)
Others		0.17		0.17
<b>Total</b>	<b>(76.00)</b>	<b>113.23</b>	<b>-</b>	<b>37.23</b>



M/s Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the period ended March 31, 2023

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



Note 16 - Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises <sup>(i)</sup>	0.90	5.64
Total outstanding dues of creditors other than micro and small enterprises	19.38	151.69
	<b>20.28</b>	<b>157.33</b>
Sundry creditors	17.36	127.82
Sundry creditors Related Party	0.28	11.05
Expenses payable	2.64	18.46
<b>Total</b>	<b>20.28</b>	<b>157.34</b>

(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, 2023	As at March 31, 2022
i Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.90	5.64
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 17 - Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other Contractual payable to related parties-current	442.53	-
Others	736.45	736.45
Expenses- Employee & Workers payable	18.80	10.85
<b>Total</b>	<b>1,197.78</b>	<b>747.30</b>

Note 18 - Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from customers	0.61	1.05
Statutory remittances	27.67	4.14
<b>Total</b>	<b>28.28</b>	<b>5.19</b>

Note 19 - Tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current</b>		
Advance income tax and tax deducted at source receivables	-	10.96
<b>Total</b>	<b>-</b>	<b>10.96</b>
<b>Current</b>		
Advance income tax and tax deducted at source receivables	18.52	19.69
<b>Total</b>	<b>18.52</b>	<b>19.69</b>





**Note 20 - Revenue from operations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products</b>		
Manufactured goods	6,992.49	9,330.39
<b>Other operating revenues</b>		
GST incentive (refund)	49.88	3.70
Scrap sales	10.38	12.57
<b>Total</b>	<b>7,052.75</b>	<b>9,346.66</b>

**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, 2023 by Product type. The Firm 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, 2023	For the year ended March 31, 2022
<b>Revenue by product type:</b>		
Lead	6,992.49	9,330.39
<b>Revenue by geography:</b>		
Domestic	6,992.49	9,330.39
<b>Revenue by time:</b>		
Revenue recognised at point in time	6,992.49	9,330.39

**(b) 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, 2023
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year	0.61

**(c) Liabilities related to contracts with customers**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	0.61	1.05

**(d) Reconciliation of revenue recognised in Statement of Profit and Loss with contract price**

Particulars	For the year ended March 31, 2023
Contract price	6,992.49
Less: discount, rebates, credits etc.	-
Revenue from operations as per Statement of Profit and Loss	6,992.49

**Note 21 - Other income**

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income from:</b>		
- bank deposits (at amortised cost)	19.55	13.46
- others	17.98	29.04
<b>Other non-operating income</b>		
Provision for doubtful trade receivables written back	5.38	-
<b>Total</b>	<b>42.91</b>	<b>42.50</b>



M/s Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the period ended March 31, 2023

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



**Note 22 - Cost of material consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials consumed	6,280.51	9,117.38
<b>Total</b>	<b>6,280.51</b>	<b>9,117.38</b>

**Note 23 - Changes in inventories of finished goods, work-in-progress and traded goods**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock		
Finished goods	300.73	139.21
Work-in-progress	286.53	156.04
Less: Closing stock		
Finished goods	88.77	300.73
Work-in-progress	137.66	286.53
<b>Change in inventories of finished goods, work-in-progress and traded goods</b>	<b>360.83</b>	<b>(292.01)</b>

**Note 24 - Employee benefits expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	169.10	158.16
Contribution to provident and other funds	12.64	10.97
Staff welfare expenses	11.38	16.83
<b>Total</b>	<b>193.12</b>	<b>185.96</b>

**Note 25 - Finance cost**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest costs on		
- Borrowings	70.46	166.98
- Others	-	-
Other borrowing costs	5.68	2.62
<b>Total</b>	<b>76.14</b>	<b>169.60</b>

**Note 26 - Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	25.19	24.56
<b>Total</b>	<b>25.19</b>	<b>24.56</b>



M/s Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)



Summary of the significant accounting policies and other explanatory information

For the period ended March 31, 2023

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

Note 27 - Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	9.65	12.65
Rates and taxes	1.22	420.30
Legal and professional fees	8.93	3.96
Repairs and maintenance		
- Plant and machinery	36.25	47.46
- Buildings	5.42	1.89
- Others	3.47	3.99
Freight and forwarding	46.18	69.75
Travelling and conveyance	0.92	0.97
Insurance	2.01	2.44
Rent	2.41	2.36
Sales commission	2.15	6.69
Advertising and sales promotion	0.07	-
Payment to auditor	0.46	0.80
Allowance for expected credit loss on financial assets (including write off)	-	1.36
Loss on sale/ discard of property, plant and equipment	9.60	0.03
Contractual labour expenses	27.88	41.10
Miscellaneous expenses	22.30	28.32
<b>Total</b>	<b>178.92</b>	<b>644.07</b>



M/s Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the period ended March 31, 2023

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



Note 28 - Tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax</b>		
Current tax expense	-	-
Short provision for tax relating to prior years	-	-
<b>Total</b>	-	-
<b>Deferred tax</b>		
In respect of current period	(7.17)	(32.77)
<b>Total</b>	(7.17)	(32.77)
<b>Income tax recognised in Statement of Profit and Loss</b>	<b>(7.17)</b>	<b>(32.77)</b>
<b>The reconciliation of the estimated tax expense at income tax rate to income tax expense reported in the statement of profit and loss is as follows:</b>		
Accounting profit before tax/ (Loss)	(19.05)	(460.40)
Statutory income tax rate	34.94%	34.94%
Tax expense at statutory income tax rate	(6.66)	(160.88)
<b>Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:</b>		
Effect of income that is exempt from taxation	17.43	-
Effect of expenses that are not deductible in determining taxable profit	(3.35)	0.56
Movement in tax provision relating to prior years	-	-
Others	(0.25)	127.55
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>(7.17)</b>	<b>(32.77)</b>



**Note 29 - Employee benefits plans**

**(i) Defined Contribution Plans**

The Firm makes contribution towards employees' provident fund and employees' deposit linked insurance scheme for qualifying employees. Under the schemes, the Firm is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes.

The Firm has recognised for contributions to these plans in the Statement of Profit and Loss as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to provident funds	9.76	8.25
Employer's contribution to employee state insurance	2.89	2.72

These plans typically expose the Firm 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 Firm 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, 2023		For the year ended March 31, 2022	
	Gratuity	Compensated absences	Gratuity	Compensated absences
<b>Change in benefit obligation</b>				
1. Present value of obligation as at the beginning of the year	4.27	1.43	5.30	1.33
2. Current service cost	0.78	0.33	0.68	0.32
3. Interest cost	0.31	0.10	0.36	0.09
4. Actuarial (gain) / loss	0.09	(0.25)	(2.07)	(0.31)
5. Benefits paid	-	(0.05)	-	-
<b>Liability recognized in the financial statement</b>	<b>5.45</b>	<b>1.56</b>	<b>4.27</b>	<b>1.43</b>
<b>Main actuarial assumption</b>				
Discount rate	7.38%	7.38%	7.22%	7.22%
Expected rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	18.80	18.80	18.45	18.45
Average remaining working lives of employees with Mortality and Withdrawal (years)	15.34	15.34	15.28	15.28
Mortality rates inclusive of provision for disability (100% of Indian Assured Lives Mortality (IALM) (2012-14):	100%	100%	100%	100%
<b>Attrition at Ages</b>				
- 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)	58.00	58.00	58.00	58.00



## Maturity profile of defined benefit obligation

Year	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 year	0.11	0.10	0.11	0.09
1 to 2 year	0.10	0.03	0.10	0.03
2 to 3 year	0.10	0.03	0.10	0.02
3 to 4 year	0.10	0.03	0.10	0.02
4 to 5 year	0.09	0.02	0.09	0.02
5 to 6 year	0.09	0.02	0.09	0.02
6 year onwards	4.87	1.33	4.70	1.13

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Compensated absences	Gratuity	Compensated absences
<b>Cost for the period</b>				
1. Current service cost	0.78	0.33	0.69	0.32
2. Net interest cost	0.31	0.10	0.36	0.09
3. Actuarial loss	-	(0.25)	-	0.31
<b>Total amount recognised in Statement of Profit or Loss</b>	<b>1.09</b>	<b>0.19</b>	<b>1.05</b>	<b>0.72</b>
<b>Re-measurements recognised in Other comprehensive income</b>				
- Effect of changes in financial assumptions	(0.09)	0.05	(0.31)	(0.31)
- Effect of experience adjustments	-	-	-	-
<b>Total re-measurements included in Other comprehensive income</b>	<b>(0.09)</b>	<b>0.05</b>	<b>(0.31)</b>	<b>-</b>
<b>Total amount recognised in statement of profit and loss</b>	<b>1.18</b>	<b>0.14</b>	<b>1.36</b>	<b>0.72</b>

## 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, 2023		For the year ended March 31, 2022	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of Obligation at the end of the year	5.45	1.56	4.27	2.05
(a) Impact of the change in discount rate				
(i) Impact due to increase of 0.50%	(0.34)	(0.10)	(0.27)	(0.09)
(ii) Impact due to decrease of 0.50%	0.37	0.11	0.29	0.10
		-		-
(b) Impact of the change in salary increase				
(i) Impact due to increase of 0.50%	0.37	0.11	0.29	0.10
(ii) Impact due to decrease of 0.50%	(0.34)	(0.10)	(0.27)	(0.09)



Note 30 - Financial Instruments

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, 2023	As at March 31, 2022
<b>Financial assets measured at amortised cost</b>			
Loans	6	50.00	185.18
Trade receivables	9	586.83	110.47
Cash and cash equivalents	10	1.20	0.58
Other bank balances	11	258.64	258.30
<b>Total financial assets</b>		<b>896.67</b>	<b>554.53</b>
<b>Financial liabilities measured at amortised cost</b>			
Borrowings	13	254.61	2,845.19
Trade payables	16	20.28	157.34
Other financial liabilities	17	1,197.78	747.30
<b>Total financial liabilities</b>		<b>1,472.67</b>	<b>3,749.83</b>

(i) Carrying amount of the financial assets and liabilities designated at amortised cost approximates its fair value.

Fair values hierarchy

The fair value of financial instruments as referred to in above note 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.



**Note 31 - Financial Risk Management**

The firm is exposed to various financial risks arising from its underlying operations and finance activities. The firm is primarily exposed to market risk (i.e. interest rate and foreign currency risk), to credit risk and liquidity risk. The firm's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the firm is governed by policies and guidelines approved by the senior management and Partners. These policies and guidelines cover interest rate risk, credit risk and liquidity risk. Firm policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the firm. Review of the financial risk is done on a monthly basis by the Partners and on a quarterly basis by the Partners. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the firm's results and financial position.

In accordance with its financial risk policies, the firm manages its market risk exposures by using specific type of financial instruments duly approved by the Partners as and when deemed appropriate. It is the firm's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Partners / Seniors Management reviews and approves policies for managing each of the above risks.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments.

**(i) Foreign Currency Risk Management**

As the firm is not dealing in foreign currency therefore, there are no foreign currency risk exist

**(ii) Interest Rate Risk Management**

Interest rate risk arises from movements in interest rates which could have effects on the firm's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The firm's exposure to the risk of changes in market interest rates relates primarily to the firm's long-term debt obligations with floating interest rates.

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowing	244.62	613.83
Fixed rate borrowing	9.99	6.35
<b>Total borrowings</b>	<b>254.61</b>	<b>620.18</b>

**Sensitivity**

Below is the sensitivity of profit or loss to changes in interest rates.

Particulars	As at March 31, 2023	As at March 31, 2022
Interest rate - increase by 100 basis points (100 bps)*	2.45	6.14
Interest rate - decrease by 100 basis points (100 bps)*	(2.45)	(6.14)

\* Holding all other variable constant

**(b) Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The firm is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To manage trade receivables, the firm periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Credit risk from balances with banks and financial institutions is managed by the firm's treasury department in accordance with the firm's policy.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.





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, 2023	As at March 31, 2022
Amount not yet due	507.30	192.00
Between one to six month overdue	79.53	68.02
Greater than six month overdue	-	-
<b>Total</b>	<b>586.83</b>	<b>260.02</b>

**(c) Liquidity risk management**

Liquidity risk is the risk that the firm 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 firm has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The firm's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The firm manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The firm 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.

Particulars	As at March 31, 2023	As at March 31, 2022
Total committed working capital limits from Banks	900.00	900.00
Utilized working capital limit	244.62	613.83
Unutilized working capital limit	655.38	286.17

**(ii) Maturities of financial liabilities**

The tables below analyse the Firm's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flow.

**Contractual maturities of financial liabilities**

Particulars	Less than 1 year	1-5 year	More than 5 years	Total
<b>As at March 31, 2023</b>				
<b>Non-derivatives</b>				
Non-current borrowing	-	8.85	-	8.85
'Short term borrowings	245.76	-	-	245.76
Trade payable	20.28	-	-	20.28
Other financial liabilities	1,197.78	-	-	1,197.78
<b>Total</b>	<b>1,463.82</b>	<b>8.85</b>	<b>-</b>	<b>1,472.67</b>
<b>As at March 31, 2022</b>				
<b>Non-derivatives</b>				
Non-current borrowing	-	0.92	-	0.92
'Short term borrowings	2,844.27	-	-	2,844.27
Trade payable	157.34	-	-	157.34
Other financial liabilities	747.30	-	-	747.30
<b>Total</b>	<b>3,748.91</b>	<b>0.92</b>	<b>-</b>	<b>3,749.83</b>

\* Including current maturities of non-current borrowings along with estimated future interest obligation



Summary of the significant accounting policies and other explanatory information  
For the period ended March 31, 2023

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

Note 32 - Related party disclosures under Ind-AS - 24 "Related Party Disclosures"

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

(a) Partners

Particulars	Partner share in Gravita Metal Inc	
	March 31, 2023	March 31, 2022
Gravita India Limited	95.00	95.00
Gravita Infotech Limited	5.00	5.00

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

M/s Shasin Industries upto Sep 30, 2021
M/s Gravita Infotech
M/s Recycling Infotech LLP

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

Transactions with related parties :

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
<b>Sales</b>		
Partner		
Gravita India Limited	618.28	278.04
<b>Purchases</b>		
Partner		
Gravita India Limited	559.44	403.36
<b>Entities having common key management personnel and/or their relatives</b>		
M/s Shasin Industries	-	-
<b>Balance Outstanding</b>		
<b>Gravita India Limited</b>		
Contractual Payable to RP	360.26	-
Sundry Creditor RP	0.27	11.05
Trade Receivable-RP	-	3.85
<b>Gravita infotech limited</b>		
Contractual Payable to RP	92.73	-
<b>Profit distribution</b>		
Partner		
Gravita India Limited	(11.29)	(483.02)
Gravita Infotech Limited	(0.59)	(25.42)
<b>Expenses reimbursed</b>		
Partner		
Gravita India Limited	1.20	1.20

(This space has been intentionally left blank)



M/s Gravita Metal Inc.  
25, SIPCOP, IND, Area, Kathua (J&K)




Summary of the significant accounting policies and other explanatory information  
For the period ended March 31, 2023  
(All amounts in Rs. lacs, unless otherwise stated)

Closing balances with related parties:

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables		
Partner		
Gravita India Limited	-	820.01
Capital Balances (Fixed and current capital)		
Partner		
Gravita India Limited	95.00	90.38
Gravita Infotech Limited	5.00	9.62

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 : 29th april 2023

In confirmation of the facts  
For Gravita Metal Inc.

  
Yogesh Malhotra  
DIN: 05332393

Whole Time Director & CEO of Partner  
Company Gravita India Limited

Place: Jaipur  
Date : 29th april 2023

