



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

From: Swarnkar & Co.

Subject: Component Audit of Gravita Neatherlands B.V. for the year ended 31st March, 2021

To: R Sogani & Associates, Jaipur, India

We have audited, for the purpose of your audit of the consolidated financial statements of **Gravita Global PTE Limited**, the accompanying Balance Sheet of **Gravita Neatherlands B.V.** 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 Neatherlands B.V.** 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 Globle Pte Ltd.** 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 Global Pte Ltd. 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 Neatherlands B.V.** 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: 15-05-2021

UDIN: 21424940AAAACM7791



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

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Gravita Netherlands B.V.
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			
Non - current assets			
Financial Assets			
Investments	2	3,235.64	3,235.64
Loans	3	4,548.49	3,995.21
Current assets			
Financial Assets			
Cash and cash equivalents	4	6.52	6.29
Others	5	640.16	547.62
Other current assets	6	272.73	40.97
Total Assets		8,703.53	7,825.73
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	14.63	14.63
Other equity		4,565.86	4,217.51
Liabilities			
Non - current liabilities			
Financial Liabilities			
Borrowings	8	3,243.06	2,854.36
Current liabilities			
Financial Liabilities			
Trade payables	9	14.06	251.81
Other financial liabilities	10	475.27	487.43
Total Equity and Liabilities		8,703.53	7,825.73

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
Place:- Jaipur
Date:- 15-05-2021



For and on behalf of the Board of Directors
Gravita Netherlands B.V.


Rajat Sharma
(Director)

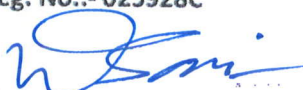
Gravita Netherlands B.V.
Statement of profit and loss For the year ended March 31, 2021

(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		-	-
II Other income	12	556.11	759.90
III Total income		556.11	759.90
IV Expenses:			
(a) Finance costs	13	141.47	166.49
(b) Other expenses	14	34.85	222.09
Total expenses		179.29	388.58
V Profit before tax		376.82	371.32
VI Tax expense		-	-
VII Profit for the year		376.82	371.32
VIII Other comprehensive income (OCI) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(28.47)	74.08
Other comprehensive Loss		(28.47)	74.08
IX Total comprehensive income for the year		348.35	445.40

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
Place:- Jaipur
Date:- 15-05-2021



For and on behalf of the Board of Directors
Gravita Netherlands B.V.


Rajat Sharma
(Director)

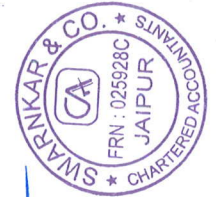
Gravita Netherlands B.V.
Statement Of Changes In Equity For The Period Ended March 31, 2021

Particulars	(All amounts in Rs. Lacs, unless otherwise stated)			
	Other equity			Total
	Reserves and surplus	Items of OCI	Foreign currency translation reserve	
Securities premium account	Surplus in Statement of Profit and Loss	Foreign currency translation reserve	Total	
Balance as at April 1, 2019	757.10	2,937.88	77.12	3,772.10
1 Profit for the year	-	371.32	-	371.32
2 Other comprehensive income for the year, net of income tax	-	-	74.08	74.08
Total comprehensive income for the year	-	371.32	74.08	445.40
Balance as at March 31, 2020	757.10	3,309.20	151.20	4,217.50
1. Profit for the year	-	376.82	-	376.82
2. Other comprehensive income/(Loss) for the year, net of income tax	-	-	(28.47)	(28.47)
Total comprehensive income / (Loss) for the year	-	376.82	(28.47)	348.36
Balance as at March 31, 2021	757.10	3,686.03	122.73	4,565.86

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

(Signature)



Deepak Kumar Swarnkar
(Proprietor)
M.No. 424940
Place:- Jaipur
Date:- 15.05.2021

For and on behalf of the Board of Directors
Gravita Netherlands B.V.

(Signature)
Rajat Sharma
(Director)

Gravita Netherlands B.V.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021

Note 1 - General information and Significant Accounting Policies

Note 1.1 - General information

Gravita India Limited ('The Company') is a public limited Company domiciled and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at "Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura Road, Tehsil-Phagi, Jaipur-303904 and having principal place of business in Jaipur (Rajasthan), Bhuj (Gujrat), and Chittoor (Andhra Pradesh). The Principal activities of the Company are - Lead processing, aluminium processing, trade (Lead products and aluminium scrap) and dealing in Turn-key Lead recycling projects. The Company carry out smelting of lead battery scrap / Lead concentrate to produce secondary Lead metal, which is further transformed into Pure Lead, Specific Lead Alloy, Lead Oxides (Lead sub-oxide, Red Lead, and Litharge) and Lead products like Lead sheets, Lead powder, Lead shot etc. The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 28, 2018.

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") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as applicable. The financial statements up to the year ended March 31, 2017 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

Refer note 50 for an explanation of the transition from previous GAAP to Ind AS and the effect on the Company's financial position, financial performance and cash flows.

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 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 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

Sale of goods :- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales of products is inclusive of excise duty and net of value added tax / sales tax / goods and service tax (GST).

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods nor it exercises effective control over the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales arrangements.

Income from services :- Revenue from sale of services are recognised when services are rendered and related costs are incurred.

Income from partnership firms :- Profit from partnership firms which are in the same line of operation is considered as operating Income. The share of profit in partnership firm is recognised as income in the statement of profit and loss as and when the right to receive the profit share is established.

Job Work Income :- Revenue from job work services is recognised based on the services rendered in accordance with the terms of contracts.

Export benefits :- Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same

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.



Gravita Netherlands B.V.

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

- 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. Intangible assets :

- i. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.
Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives of the intangible assets considering the terms of the business purchase agreements are 3 -5 years.
The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.
The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.
- ii. Intangible assets under development
Expenditure on intangible assets eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

V. A. Depreciation / amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Company based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Estimated useful lives :-

Asset	Useful Life
Buildings	5 - 60 years
Plant and Equipment	15 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computer and accessories	3- 6 years
Office Equipments	5 years

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except that, assets costing upto Rs. 5,000 each are fully depreciated in the year of purchase. An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

B. Impairment

(i). Financial assets

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

(ii). Non - financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired.

VI. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.



Gravita Netherlands B.V.

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

VII. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

VIII. Foreign Currency Transactions

The functional currency of the Company is Indian rupee. 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.

IX. 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

(a) 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) **Investment in subsidiaries and Partnership firm**: Investment in subsidiaries and partnership firms is carried at cost less impairment, if any, in the separate financial statements.

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

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

For 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.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified entity fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange and commodity option contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

X. Impairment of investments

The Company reviews its carrying value of long term investments in equity shares of subsidiaries and partnership firms carried at cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

XI. 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.

XII. 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.

v. **Share based payment** - Equity settled share based payments to employees under Gravita ESOP 2011 Scheme are measured at the fair value (which equals to Market price less exercise price) of the equity instruments at grant date. Fair value determined at the grant date is expensed on a straight line basis over the vesting period.



Gravita Netherlands B.V.

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

XIII. Contingent liabilities and provisions

Contingent liabilities are disclosed after evaluation of the facts and legal aspects of the matter involved, in line with the provisions of Ind AS 37. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable. Provisions are recognised when the Company has a legal / constructive obligation as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

XIV. Leases

Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

XV. Earnings per share

Basic earnings / (loss) per share is calculated by dividing the net profit / (loss) for the current year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for calculating basic earnings / (loss) per share, and also the weighted average number of shares, which would have been issued on the conversion of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate.

XVI. Income taxes

Provision for current taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income.

XVII. 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 periods:

(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) Impairment of investments : The Company reviews its carrying value of long term investments in equity shares of subsidiaries and other partnership firms carried at cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(iii) Deferred tax assets : The Company reviews the carrying amount of deferred tax assets including Minimum Alternate Tax (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.

(iv) Revenue Recognition : Provision for Sales Returns and Discounts are estimated based on past experience and market conditions.

XVIII. Operating Cycle

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

XIX. Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' (a new revenue standard) and Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'. These amendments are applicable to the Company from April 1, 2018.

Ind AS 115, Revenue from Contracts with Customers

This standard requires an entity to recognise revenue on the basis of 5 step model given in the standard. The Standard focuses on identification of various performance obligations on the basis of promised goods and services to the customers as per contract, allocation of contract price on the various performance obligations and recognition of revenue when entity satisfies the performance obligation. The Standard Scopes out lease agreements from its scope.

The company is estimating the impact on transition of Ind AS 115 (new standard) from Ind AS 18 (old standard) on Revenue.

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

There is no impact on the Company due to notification of this Appendix.



Gravita Netherlands B.V.
Notes forming part of the financial statements

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

Note 2 - Non-current investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in equity instruments (valued at cost) (Unquoted, in subsidiary companies)		
Gravita Mozambique LDA	506.32	506.32
Gravita Senegal S.A.U.	456.20	456.20
Gravita Nicaragua S.A.	435.61	435.61
Recylers Gravita Costarica SA	131.59	131.59
Gravita Ventures	6.21	6.21
Gravita Mali	13.07	13.07
Gravita USA Inc	166.60	166.60
Gravita Jamacia Ltd.	186.74	186.74
Navam Lanka Limited	617.42	617.42
Gravita Tanzania Ltd	183.19	183.19
Recylers Ghana Limited	488.91	488.91
Mozamabique Recyclers Lda	6.37	6.37
Gravita Peru SAC	7.34	7.34
Gravita Dominican SAS-Investment	30.05	30.05
Total investments in subsidiaries	3,235.64	3,235.64
	3,235.64	3,235.64
Aggregate amount of unquoted investments	3,235.64	3,235.64

Note 3 - Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Non current, Unsecured, considered good		
Security deposits	-	-
Loan to related parties	4,548.49	3,995.21
Total	4,548.49	3,995.21

Note 6 - Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Advances to related parties	240.33	-
Prepaid expenses-current	12.25	13.73
Corporate Guarantee-Current	20.14	27.23
	272.73	40.97

Note 4 - 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	6.52	6.29
Total	6.52	6.29



Gravita Netherlands B.V.
Notes forming part of the financial statements

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

Note 5 - Financial assets - Others

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Other Contractual receivables from related parties	640.16	547.62
Total	640.16	547.62

Note 7 - Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
Equity shares	73.13	73.13
	73.13	73.13
Issued, subscribed and fully paid up		
Equity shares	14.63	14.63
Total	14.63	14.63

Note 8 - Non - current financial liabilities - Borrowings (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term loans from banks		
Vehicle Loans	1,306.84	1,340.43
Loan processing fees	(60.28)	(60.38)
Current maturities disclosed under OFL from LTL	(475.27)	-
Unsecured		
Term loan		
-From related party	2,471.77	1,574.31
Total	3,243.06	2,854.36

Note 9 - Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding dues to parties other than Micro and Small enterprises	14.06	251.81
Sundry Creditors	-	15.39
Sundry Creditors Related Party	-	236.42
Total	14.06	251.81
Current	14.06	251.81

Note 10- Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Current maturities of long terms debt	475.27	487.43
	475.27	487.43



Gravita Netherlands B.V.
Notes forming part of the financial statements

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

Note 11 - Other Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Advance received from Customers-related party	365.57	-
Contractually reimbursable expenses to related parties	25.09	-
	390.66	-

Note 12 - Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income		
On other financial assets carried at amortised cost	110.92	84.45
Dividend Income		
Dividends from equity investments	445.19	673.51
Total	556.11	759.90

Note 13 - Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest costs on		
Borrowings	111.19	126.34
Other borrowing costs	30.28	40.15
	141.47	166.49

Note 14 - Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and professional	16.44	18.06
Rent	0.60	-
Payment to auditors	8.91	12.84
Corporate guarantee expenses	-	12.36
Bank charges	1.12	1.39
Loss on sale of Investment	-	167.10
Miscellaneous expenses	7.78	10.35
Total	34.85	222.09

