



Swarnkar & Co

Chartered Accountants

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

From: Swarnkar & Co.

Subject: Component Audit of Gravita Nicaragua S.A. for the year ended 31st March, 2020

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 Nicaragua S.A.** as at 31st March 2020, and Profit & Loss A/c and other reconciliations and information (all collectively referred to as the Fit For Consolidation (FFC) Accounts)

Related to Going Concern

We draw attention to the Note 25 to the financial statement which indicates that The Company has incurred net loss of INR 268.51 lakh during the year ended 31st March, 2020, however as per decision of the management the financial statement have been prepared on a going concern basis. Our opinion is not modified in respect of the said matter.

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.



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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 Nicaragua S.A.** as of **31st March, 2020** 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 Global 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 Nicaragua S.A.** as of **31st March 2020**, 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: 17-06-2020

UDIN: 20424940AAAEN7826



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Balance sheet
As on Mar 31, 2020

(INR In lacs)

Particulars	Note	As at Mar 31, 2020	As at Mar 31, 2019
I. ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	2	839.19	736.69
(b) Capital work-in-progress		151.75	288.10
(c) Right of Use Assets		45.01	-
(i) Loans	3	24.65	27.44
		1,060.60	1,052.23
2 Current assets			
(a) Inventories	4	250.96	345.59
(b) Financial Assets			
(i) Trade receivables	5	168.22	177.04
(ii) Cash and cash equivalents	6 (a)	234.16	28.99
(iii) Bank balances other than (iii) above	6 (b)	8.03	6.87
(c) Other current assets	7	19.93	16.18
		681.30	574.67
Total Assets		1,741.90	1,626.90
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	8	435.72	435.72
(b) Other equity	1	(509.38)	(228.48)
Equity attributable to owners of the Company		(73.66)	207.24
2 Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	1,389.11	928.33
(ii) Lease Liabilities		53.80	-
(b) Provisions	10	25.94	1.16
		1,468.85	929.49
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings		0.08	-
(ii) Trade payables	11	184.66	409.81
(iii) Other financial liabilities	12	15.52	14.09
(b) Other current liabilities	13	146.45	66.27
		346.71	490.17
Total Equity and Liabilities		1,741.90	1,626.90

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

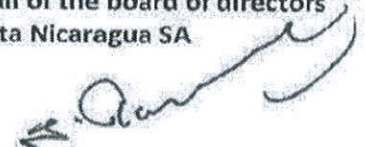


Deepak Kumar Swarnkar
(Proprietor)
M.No. 424940



Place:- Jaipur

For and on behalf of the board of directors
Gravita Nicaragua SA



Vijendra Singh Tanwar
(Director)

**Statement of profit and loss
for the period ended Mar 31, 2020**

(INR In lacs)

Particulars	Note	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
I Revenue from operations	14	2,799.04	2,775.81
II Other income	15	1.16	0.20
III Total income (I + II)		2,800.20	2,776.01
IV Expenses:			
(a) Cost of materials consumed	16	1,429.95	1,116.22
(b) Purchases of Stock-in-trade	17	402.63	739.58
(c) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	18	39.68	(133.66)
(d) Employee benefits expense	19	365.92	322.19
(e) Finance costs	20	41.52	18.68
(f) Depreciation and amortisation expense	21	284.96	177.04
(g) Other expenses	22	504.04	610.21
Total expenses (IV)		3,068.70	2,850.26
V Share of profit of associates			
VI Profit before tax (III - IV + V)		(268.50)	(74.25)
VII Tax expense:			
VIII Profit for the year (VI - VII)		(268.50)	(74.25)
IX Other comprehensive income (OCI)			
(a) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		4.87	(13.03)
Other comprehensive income		4.87	(13.03)
X Total comprehensive income for the year (VIII + IX)		(263.63)	(87.28)

For Swarnkar & Co
Chartered Accountants
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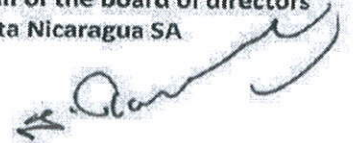


Deepak Kumar Swarnkar
(Proprietor)
M.No. 424940

Place:- Jaipur



For and on behalf of the board of directors
Gravita Nicaragua SA



Vijendra Singh Tanwar
(Director)

Gravita Nicaragua S.A.
Statement of changes in equity for the period ended March 31, 2020

1 Other equity

Particulars	Other equity		Attributable to owners of the parent	Total
	Reserves and surplus	Items of OCI		
	Surplus in Statement of Profit and Loss	Foreign currency translation reserve		
Balance as at March 31, 2018	(134.12)	(7.08)	(141.20)	(141.20)
1 Profit for the year	(74.25)	-	(74.25)	(74.25)
2 Other comprehensive income for the year, net of income tax	-	(13.03)	(13.03)	(13.03)
Total comprehensive income for the year	(74.25)	(13.03)	(87.28)	(87.28)
Balance as at March 31, 2019	(208.37)	(20.11)	(228.48)	(228.48)
1. Profit for the year	(268.50)	-	(268.50)	(268.50)
2. Other comprehensive income for the year, net of income tax	-	4.87	4.87	4.87
Total comprehensive income for the year	(268.50)	4.87	(263.63)	(263.63)
1 Impact as per Ind AS-116	(17.27)	-	(17.27)	(17.27)
Balance as at March 31, 2020	(494.14)	(15.24)	(509.38)	(509.38)

(INR in Lacs)



Gravita Nicaragua S.A.

Notes forming part of the financial statements

Note 2 - Property, Plant and Equipment
As at March 31, 2019 and March 31, 2020

Particulars	(INR In lacs)							
	Freehold land	Buildings	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Cost								
As at March 31, 2018	-	24.02	702.61	6.68	1.91	5.63	51.51	792.36
Additions during the year	23.41	-	248.96	1.04	0.24	0.12	17.65	291.42
Disposals/ Adjustments	-	-23.41	-6.38	-0.38	-0.57	-1.28	-3.17	-35.19
Translation difference	-0.80	1.04	-0.90	0.06	0.03	0.11	0.04	-0.42
As at March 31, 2019	22.61	1.65	944.29	7.40	1.61	4.58	66.03	1,048.17
Additions during the year	-	-	76.53	2.17	-	1.18	-	79.88
Disposals/ Adjustments	-22.66	-1.71	226.44	-	-	-	-	202.07
Translation difference	0.06	0.02	59.68	0.46	0.08	0.28	3.20	63.78
As at Mar 31, 2020	0.01	-0.04	1,306.94	10.03	1.69	6.04	69.23	1,393.90
Depreciation								
As at March 31, 2018	-	0.13	132.80	1.13	1.23	1.26	10.80	147.35
Charge for the year	-	0.17	164.35	1.52	0.66	1.29	9.04	177.03
Deletions	-	-	-5.54	-0.11	-0.57	-0.81	-1.68	-8.71
Translation difference	-	-	-4.04	-0.03	0.01	0.01	-0.14	-4.19
As at March 31, 2019	-	0.30	287.57	2.51	1.33	1.75	18.02	311.48
Charge for the year	-	0.08	204.49	1.68	0.26	0.95	11.02	218.48
Deletions	-	-0.37	-	-	-	-	-	-0.37
Translation difference	-	-	23.32	0.20	0.09	0.13	1.38	25.12
As at Mar 31, 2020	-	0.01	515.38	4.39	1.68	2.83	30.42	554.71
Net block								
As at Mar 31, 2020	-	-0.05	791.56	5.64	0.01	3.21	38.81	839.19
As at March 31, 2019	22.61	1.35	656.72	4.89	0.28	2.83	48.01	736.69



Gravita Nicaragua S.A.
Notes forming part of the financial statements

Note 3 - Loans

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
(a) Non current, Unsecured, considered good		
Security deposits	24.65	27.44
Total (a)	24.65	27.44

Note 4 - Inventories

(At lower of cost and net realisable value)

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
(a) Raw materials and bought out components	20.88	35.89
Goods-in-transit	9.21	56.93
(b) Work-in-progress	7.19	26.29
(c) Finished goods (other than those acquired for trading)	174.00	177.33
Goods-in-transit	-	12.49
(d) Stock-in-trade (in respect of goods acquired for trading)	2.64	7.41
(e) Stores and spares	29.77	25.59
(f) Consumables	7.27	3.66
	250.97	345.59
Less : Write down of inventory to net realisable value	-	-
	250.96	345.59

Note 5 - Trade receivables

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Unsecured, considered good	168.22	177.04
Less: Provision for doubtful trade receivables	-	-
	168.22	177.04

Note 6 - Cash and cash equivalents

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
(a) Cash and cash equivalents		
Balances with banks		
-on current accounts	232.61	26.17
Cash on hand	1.55	2.82
Total (a)	234.16	28.99
(b) Bank balances Other than (a) above		
Other bank balances		
Balances held as margin money against borrowin	8.03	6.87
Total (b)	8.03	6.87



Gravita Nicaragua S.A.
Notes forming part of the financial statements

Note 7 - Other assets

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Unsecured, considered good		
Current		
Advances to related parties	-	1.38
Advances to vendors	18.64	11.85
Advances to employees	1.08	2.95
Prepaid expenses	0.21	-
	19.93	16.18

Note 8 - Equity share capital

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Authorised		
214000 Equity Shares of 100 NIO Each fully paid up	214 NIO	214 NIO
Issued, subscribed and fully paid up		
180493 equity shares (previous year 162510 shares) of NIO 100 each fully paid up	435.72	435.72
	435.72	435.72

Note 9 - Non - current financial liabilities - Borrowings (at amortised cost)

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Unsecured		
Term loan		
-From related party	1,389.11	928.33
Total	1,389.11	928.33

Note 10 - Provisions

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
(a) Long - term		
Provision for employee benefits		
Provision for gratuity (net)	18.14	-
Provision for compensated absences	7.80	1.16
	25.94	1.16



Gravita Nicaragua S.A.
Notes forming part of the financial statements

Note 11 - Trade payables

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	184.66	409.71
Sundry creditors	108.96	48.94
Sundry creditors Related Party	74.94	249.50
Employee & Workers related payables (including flexi, Bonus, LTA etc.)	0.76	111.27
	184.66	409.71

Note 12 - Other financial liabilities

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Current		
- Payable for purchase of fixed assets	15.52	14.09
	15.52	14.09

Note 13 - Other Liabilities

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Current		
Advance received from customers	-	18.99
Advance received from Customer-related party	143.20	45.02
Other payables	-	-
-Statutory remittances*	3.25	2.26
	146.45	66.27

Note 14 - Revenue from operations

Particulars	(INR In lacs)	
	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Sale of products (including excise duty)		
Manufactured goods	2,354.26	1,805.56
Traded goods	444.78	970.25
Revenue from operations	2,799.04	2,775.81

Note 15 - Other income

Particular	(INR In lacs)	
	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
(a) Interest income		
_ On bank deposits (at amortised cost)	1.16	0.20
Total	1.16	0.20



Gravita Nicaragua S.A.
Notes forming part of the financial statements

Note 16 - Cost of material consumed

Particulars	(INR In lacs)	
	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Raw materials and bought out components consumed	1,429.95	1,116.22
	1,429.95	1,116.22

Note 17 - Purchase of stock-in-trade

Particulars	(INR In lacs)	
	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Remelted Lead ingots	-	-
Others	402.63	739.58
	402.63	739.58

Note 18 - Changes in inventory of finished goods, work-in-progress and stock-in-trade

Particulars	(INR In lacs)	
	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Opening stock		
Finished goods	189.81	59.52
Work-in-progress	26.29	30.33
Stock-in-trade	7.41	-
Less: Closing stock		
Finished goods	174.00	189.81
Work-in-progress	7.19	26.29
Stock-in-trade	2.64	7.41
Net increase/ (decrease) in inventory of finished goods, work-in-progress and stock-in-trade	39.68	-133.66

Note 19 - Employee benefits expense

Particulars	(INR In lacs)	
	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
(i) Salaries and wages	354.54	314.91
(ii) Staff welfare expenses	11.38	7.28
	365.92	322.19



Gravita Nicaragua S.A.
Notes forming part of the financial statements

Note 20 - Finance cost

Particulars	(INR In lacs)	
	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Interest costs on Borrowings	32.05	18.68
Interest cost on lease liabilities	9.47	-
	41.52	18.68

Note 21 - Depreciation and amortisation expense

Particulars	(INR In lacs)	
	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Depreciation of Property, Plant and Equipment	218.47	177.04
Depreciation of Leased assets	66.49	-
	284.96	177.04

Note 22 - Other expenses

Particulars	(INR In lacs)	
	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Power and fuel	175.47	122.48
Rates and taxes	-	0.15
Legal and professional	7.67	8.51
Repairs and maintenance	-	-
-Plant & machinery	79.25	109.51
-Buildings	5.70	0.43
-Others	16.40	16.34
Freight and forwarding	66.83	125.57
Travelling and conveyance	24.09	30.39
Insurance	0.93	0.72
Rent	43.93	107.68
Sales commission	-	0.28
Advertising and sales promotion	1.28	1.10
Communication	6.05	6.35
Printing and stationery	1.58	1.33
Net loss on foreign currency transactions and translation	69.35	0.46
Loss on property plant and equipment discarded/scrap/written off	-41.18	0.92
Bank charges	9.23	8.68
Vehicle hire expenses	15.26	18.61
Vehicle running expenses	5.51	3.52
Miscellaneous expenses	16.69	47.18
	504.04	610.21

