



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

**From:** Swarnkar & Co.  
**Subject:** Component Audit of Recyclers Mozambique LDA for the year ended 31<sup>st</sup> 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 **Recyclers Mozambique LDA** as at 31<sup>st</sup> 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 22 to the financial statement which indicates that The Company has incurred net loss of INR 37.75 lakh during the year ended 31<sup>st</sup> 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.





# 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 **Recyclers Mozambique LDA** as of **31<sup>st</sup> 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 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 **Recyclers Mozambique LDA** as of **31<sup>st</sup> 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.

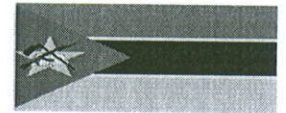
**For Swarnkar & Co.**  
Chartered Accountants  
Firm Reg. No.:- 025928C

**Deepak Kumar Swarnkar**  
(Proprietor)  
M. No:-424940  
Date: 19-06-2020  
UDIN: 20424940AAAAET7235



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Recyclers Mozambique LDA  
Balance sheet As at Mar 31, 2020

(INR In lacs)

Particulars	Note	As at Mar 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
1			
(A) Property, Plant and Equipment	2	46.49	59.04
(b) Capital work-in-progress		1.47	-
(c) Right of Use Assets		11.82	-
(d) Financial Assets			
(i) Loans	3	1.58	1.52
		<b>61.36</b>	<b>60.56</b>
2 Current assets			
(a) Inventories	4	25.81	62.21
(b) Financial Assets			
(i) Trade receivables	5	0.00	79.69
(ii) Cash and cash equivalents	6	70.75	13.33
(c) Other current assets	18	3.73	-
3 Assets held-for-sale		-	-
		<b>100.29</b>	<b>155.23</b>
		<b>161.65</b>	<b>215.79</b>
<b>Total Assets</b>			
		<b>161.65</b>	<b>215.79</b>
<b>II. EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity Share capital	7	6.50	6.50
(b) Other equity	1	(63.84)	(19.27)
<b>Equity attributable to owners of the Company</b>		<b>(57.34)</b>	<b>(12.77)</b>
2 Liabilities			
<b>Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	8	124.33	33.88
(ii) Trade payables - non current		-	-
(iii) Lease Liabilities		8.88	-
		<b>133.21</b>	<b>33.88</b>
3 Current liabilities			
(a) Financial Liabilities			
(ii) Trade payables		58.82	178.35
(iii) Lease Liabilities		9.05	-
(b) Other current liabilities	10	17.91	16.33
(c) Provisions		-	-
(d) Current tax Liabilities (net)		-	-
		<b>85.78</b>	<b>194.68</b>
<b>Total Equity and Liabilities</b>		<b>161.65</b>	<b>215.79</b>

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

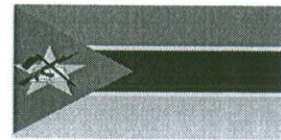
Deepak Kumar Swarnkar  
Proprietor  
M.No. 424940



For and on behalf of the Board of Directors

Rajat Sharma  
(Director)

Place:- Jaipur



**Recyclers Mozambique LDA**  
**Statement of profit and loss For the year ended Mar 31, 2020**

(Rs. In Lacs)

Particulars	Note	(Rs. In Lacs)	
		For the year ended Mar 31, 2020	For the year ended March 31, 2019
I Revenue from operations	11	104.54	79.50
II Total income (I + II)		104.54	79.50
III Expenses:			
(a) Cost of materials consumed	12	63.31	121.24
(b) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	13	20.48	(38.64)
(c) Employee benefits expense	14	-	0.02
(d) Finance costs	15	6.54	0.45
(e) Depreciation and amortisation expense	16	24.93	7.71
(f) Other expenses	17	27.03	13.29
Total expenses (IV)		142.29	104.07
IV Profit before tax (III - IV + V)		(37.75)	(24.57)
V Tax expense:			
VI Profit for the year (VI - VII)		(37.75)	(24.57)
VII Other comprehensive income (OCI)			
(a) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(3.35)	5.38
VIII Total comprehensive income for the year		(41.10)	(19.19)

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

Rajat Sharma  
(Director)

## Recyclers Mozambique LDA

### Statement of changes in equity for the period ended March 31, 2020

#### 1. Other Equity

Particulars	Other equity				Total
	Reserves and Surplus in Statement of Profit and Loss	Items of OCI		Attributable to owners of the parent	
		Foreign currency translation reserve			
<b>Balance as at March 31, 2018</b>		(0.08)			(0.08)
1 Profit for the year	(24.57)	-			(24.57)
2 Other comprehensive income for the year, net of income tax	-	5.38			5.38
<b>Balance as at March 31, 2019</b>	<b>(24.57)</b>	<b>5.30</b>			<b>(19.27)</b>
1. Profit for the year	(37.75)	-			(37.75)
2. Other comprehensive income for the year, net of income tax	-	(3.35)			(3.35)
3 Impact due to Ind AS 116	(3.47)	-			(3.47)
<b>Balance as at March 31, 2020</b>	<b>(65.79)</b>	<b>1.95</b>		<b>(63.84)</b>	<b>(63.84)</b>



## Recyclers Mozambique LDA

### 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)			
	Buildings	Plant and equipments	Office Equipment	Total
<b>Cost</b>				
As at March 31, 2019	7.78	58.29	0.21	66.28
Additions during the year	-	-	-	-
Disposals/ Adjustments	-	-	-	-
Translation difference	0.35	2.60	0.01	2.96
<b>As at March 31, 2020</b>	<b>8.13</b>	<b>60.89</b>	<b>0.22</b>	<b>69.24</b>
<b>Depreciation</b>				
As at March 31, 2019	0.19	7.02	0.03	7.24
Charge for the year	0.40	14.65	0.06	15.11
Deletions	-	-	-	-
Translation difference	0.02	0.38	-	0.40
<b>As at March 31, 2020</b>	<b>0.61</b>	<b>22.05</b>	<b>0.09</b>	<b>22.75</b>
<b>Net block</b>				
As at March 31, 2020	7.52	38.84	0.13	46.49
As at March 31, 2019	7.59	51.27	0.18	59.04



**Recyclers Mozambique LDA**  
**Notes forming part of the financial statements**

**Note 3 - Loans**

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
<b>Non current, Unsecured, considered good</b>		
Security deposits	1.58	1.52
<b>Total</b>	<b>1.58</b>	<b>1.52</b>

**Note 4 - Inventories**

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
(a) Raw materials and bought out components	1.61	10.71
Goods-in-transit	1.07	8.36
(b) Work-in-progress	18.15	38.64
(c) Stores and spares	4.92	2.73
(d) Consumables	0.06	1.77
<b>Total</b>	<b>25.81</b>	<b>62.21</b>

**Note 5 - Trade receivables**

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
Unsecured, considered good	0.00	79.69
<b>Total</b>	<b>0.00</b>	<b>79.69</b>

**Note 6 - Cash and cash equivalents**

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
<b>(a) Cash and cash equivalents</b>		
Balances with banks		
-on current accounts	70.26	13.33
Cash on hand	0.49	-
<b>Total</b>	<b>70.75</b>	<b>13.33</b>

**Note 7 - Equity share capital**

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
<b>Authorised</b>		
Equity shares	6.11 MZN	6.11 MZN
	6.11 MZN	6.11 MZN
<b>Issued, subscribed and fully paid up</b>		
Equity shares	6.50	6.50
<b>Total</b>	<b>6.50</b>	<b>6.50</b>

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

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
Unsecured		
Term loan		
-From related party	124.33	33.88
<b>Total</b>	<b>124.33</b>	<b>33.88</b>



**Recyclers Mozambique LDA**  
**Notes forming part of the financial statements**

**Note 9 - Trade payables**

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
Outstanding dues to Micro and Small enterprises (refer note 35)	-	-
Outstanding dues to parties other than Micro and Small enterprises	58.82	178.35
Sundry creditors	51.40	119.05
Sundry creditors Related Party	7.42	59.30
<b>Total</b>	<b>58.82</b>	<b>178.35</b>

**Note 10 - Other Liabilities**

Particulars	(Rs. In Lacs)	
	As at Mar 31, 2020	As at March 31, 2019
<b>Current</b>		
Contractually reimbursable expenses to related parties	17.91	16.33
<b>Total</b>	<b>17.91</b>	<b>16.33</b>

**Note 11- Revenue from operations**

Particulars	(Rs. In Lacs)	
	For the year ended Mar 31, 2020	For the year ended March 31, 2019
Sale of products (including excise duty)	-	-
Manufactured goods	104.54	79.50
<b>Total</b>	<b>104.54</b>	<b>79.50</b>

**Note 12 - Cost of material consumed**

Particulars	(Rs. In Lacs)	
	For the year ended Mar 31, 2020	For the year ended March 31, 2019
Raw materials and bought out components consumed	63.31	121.24
<b>Total</b>	<b>63.31</b>	<b>121.24</b>

**Note 13 - Changes in inventory of finished goods, work-in-progress and stock-in-trade**

Particulars	(Rs. In Lacs)	
	For the year ended Mar 31, 2020	For the year ended March 31, 2019
<b>Opening stock</b>		
Finished goods	-	-
Work-in-progress	38.64	-
Stock-in-trade	-	-
<b>Less: Closing stock</b>		
Finished goods	-	-
Work-in-progress	18.16	38.64
Stock-in-trade	-	-
<b>Net increase/ (decrease) in inventory of finished goods, work-in-progress and stock-in-trade</b>	<b>20.48</b>	<b>-38.64</b>





Recyclers Mozambique LDA

Notes forming part of the financial statements

Note 14 - Employee benefits expense

(Rs. In Lacs)

Particulars	For the year ended Mar 31, 2020	For the year ended March 31, 2019
Staff welfare expenses	-	0.02
<b>Total</b>	<b>-</b>	<b>0.02</b>

Note 15 - Finance cost

(Rs. In Lacs)

Particulars	For the year ended Mar 31, 2020	For the year ended March 31, 2019
Interest costs on		
- Borrowings	2.76	0.44
- Lease liabilities	3.79	-
<b>Total</b>	<b>6.55</b>	<b>0.44</b>

Note 16 - Depreciation and amortisation expense

(Rs. In Lacs)

Particulars	For the year ended Mar 31, 2020	For the year ended March 31, 2019
Depreciation of Property, Plant and Equipment	15.11	7.71
<b>Total</b>	<b>15.11</b>	<b>7.71</b>

Note 17 - Other expenses

(Rs. In Lacs)

Particulars	For the year ended Mar 31, 2020	For the year ended March 31, 2019
Legal and professional	0.44	0.91
-Plant & machinery	11.10	3.96
Freight and forwarding	1.72	-
Travelling and conveyance	0.02	0.32
Rent	-	2.88
Printing and stationery	-	0.03
Payment to auditors	3.38	-
Net loss on foreign currency transactions and translation	6.66	5.16
Bank charges	4.27	-
Miscellaneous expenses	-0.56	0.03
<b>Total</b>	<b>27.03</b>	<b>13.29</b>



Note 18 - Other assets

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
<b>(a) Current</b>		
Advances to vendors	3.71	-
Advances to employees	0.02	-
<b>Total</b>	<b>3.73</b>	<b>-</b>

Note 19 - Trade payables

Particulars	(INR In lacs)	
	As at Mar 31, 2020	As at March 31, 2019
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	58.82	178.35
<b>Sundry creditors</b>	<b>51.40</b>	<b>119.05</b>
<b>Sundry creditors Related Party</b>	<b>7.42</b>	<b>59.30</b>
	<b>58.82</b>	<b>178.35</b>



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