

AUDIT REPORT

FOR

FINANCIAL YEAR 2021-22

OF

NAVAM LANKA LIMITED



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

From: Swarnkar & Co.

Subject: Component Audit of Navam Lanka Limited for the year ended 31st March, 2022

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 **Navam Lanka Limited** as at 31st March 2022, 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.





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 **Navam Lanka Limited** as of **31st March, 2022** 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 **Navam Lanka Limited** as of *31st March 2022*, 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

UDIN: 22424940AKCNJH2552

Date: 16-05-2022



Navam Lanka Limited

Statement of profit and loss for the year ended on Mar 31, 2022

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


Particulars	Note	For the year ended Mar 31, 2022	For the year ended March 31, 2021
I Income			
Revenue from operations	17	6,834.82	5,473.91
Other income	18	360.08	-
Total income (I)		7,194.90	5,473.91
II Expenses			
Cost of materials consumed	19	4,283.68	4,035.68
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	20	237.23	(38.76)
Employee benefits expense	21	238.98	217.82
Finance costs	22	27.83	28.01
Depreciation and amortisation expense	23	30.78	34.81
Other expenses	24	184.08	145.55
Total expenses (IV)		5,002.58	4,423.11
III Profit before tax (I + II)		2,192.32	1,050.80
IV Tax expense	25		
Current tax		304.90	144.97
		304.90	144.97
V Profit for the year (III - IV)		1,887.42	905.83
VI Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		(850.63)	(109.18)
Income tax on above			
Other comprehensive income		(850.63)	(109.18)
VII Total comprehensive income for the year (V + VI)		1,036.79	796.65

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's Registration No.: 025928C


Deepak Kumar Swarnkar
Proprietor


Membership No: 424940

Place : Jaipur

Date : 16-05-2022



For and on behalf of the Board of Directors

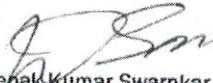

Rajat Sharma
Director

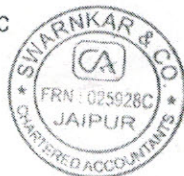
Navam Lanka Limited
Balance sheet as at Mar 31, 2022
(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Note	As at Mar 31, 2022	As at March 31, 2021
I. ASSETS			
Non-current assets			
Property, plant and equipment	2	257.36	307.30
Capital work-in-progress	3	-	50.55
Right-to-Use assets	4	35.01	50.76
Others		1.80	2.56
Other non current assets	6	11.95	17.04
Total non-current assets		306.12	428.21
Current assets			
Inventories	7	309.81	627.82
Financial Assets			
Trade receivables	8	2,473.34	1,407.19
Cash and cash equivalents	9	44.83	42.63
Other current assets	7	13.96	16.17
Total current assets		2,841.94	2,093.81
TOTAL ASSETS		3,148.05	2,522.02
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	409.63	409.63
Other equity	11	1,785.70	1,470.28
Total Equity		2,195.33	1,879.91
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease Liability	12	29.86	42.80
Provisions	13	37.80	34.26
Total non-current liabilities		67.66	77.06
Current liabilities			
Financial Liabilities			
Borrowings	14	705.40	420.97
Lease liabilities	12	3.55	5.05
Trade payables	15		
Total outstanding due of creditors other than micro and small enterprises		35.96	57.63
Other current liabilities	16	4.99	12.64
Current tax liabilities (net)		135.16	68.75
Total current liabilities		885.06	565.04
Total liabilities		952.72	642.10
TOTAL EQUITY AND LIABILITIES		3,148.05	2,522.02

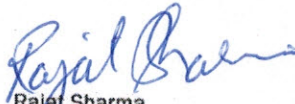
The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

For Swarnkar & Co
Chartered Accountants
Firm's Registration No.: 025928C


Deepak Kumar Swarnkar
Proprietor
Membership No: 424940
Place : Jaipur
Date : 16-05-2022



For and on behalf of the Board of Directors


Rajat Sharma
Director

Navam Lanka Limited
 Summary of significant accounting policies and other explanatory information
 For the year ended Mar 31, 2022
 (All amounts in Rs. lacs, unless otherwise stated)

Note 4 - Right-of-use assets

Particulars	Land	Total
Gross carrying amount		
As at April 1, 2020	47.31	47.31
Additions during the year	10.24	10.24
Disposals/ adjustments	-	-
Foreign currency translation difference	(4.15)	(4.15)
As at March 31, 2021	53.40	53.40
Additions during the year	-	-
Disposals/ adjustments	-	-
Foreign currency translation difference	(15.94)	(15.94)
As at March 31, 2022	37.46	37.46
Accumulated depreciation		
As at April 1, 2020	1.33	1.33
Charge for the year	1.50	1.50
Disposals/ adjustments	-	-
Foreign currency translation difference	(0.19)	(0.19)
As at March 31, 2021	2.64	2.64
Charge for the year	0.84	0.84
Disposals/ adjustments	-	-
Foreign currency translation difference	(1.03)	(1.03)
As at March 31, 2022	2.45	2.45
Net carrying value		
As at March 31, 2021	50.76	50.76
As at March 31, 2022	35.01	35.01

Note 5 - Other intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2020	1.64	1.64
Additions during the year	-	-
Disposals/ adjustments	-	-
Foreign currency translation difference	(0.12)	(0.12)
As at March 31, 2021	1.52	1.52
Additions during the year	-	-
Disposals/ adjustments	-	-
Foreign currency translation difference	(0.45)	(0.45)
As at March 31, 2022	1.06	1.06
Accumulated depreciation		
As at April 1, 2020	1.52	1.52
Charge for the year	0.12	0.12
Disposals/ adjustments	-	-
Foreign currency translation difference	(0.12)	(0.12)
As at March 31, 2021	1.52	1.52
Charge for the year	-	-
Disposals/ adjustments	-	-
Foreign currency translation difference	(0.45)	(0.45)
As at March 31, 2022	1.06	1.06
Net carrying value		
As at March 31, 2021	-	-
As at March 31, 2022	-	-

Navam Lanka Limited
 Summary of significant accounting policies and other explanatory information
 For the year ended Mar 31, 2022
 (All amounts in Rs. lacs, unless otherwise stated)

Note 6 - Other assets

Particulars	As at Mar 31, 2022	As at March 31, 2021
Non-current (unsecured, considered good)		
Balance with government authorities	11.95	17.04
Total	11.95	17.04
Current (unsecured, considered good)		
Advances to vendors	2.56	5.16
Advances to employees	1.53	0.72
Prepaid expenses	9.86	10.30
Balance with government authorities	-	-
Total	13.96	16.17

Note 7 - Inventories

Particulars	As at Mar 31, 2022	As at March 31, 2021
Raw materials	-	99.21
Work-in-progress	72.20	354.37
Finished goods (other than those acquired for trading)	100.85	55.91
Stores and spares	73.62	97.54
Consumables	63.14	20.79
Total	309.81	627.82

Note 8 - Trade receivables

Particulars	As at Mar 31, 2022	As at March 31, 2021
Trade receivables - considered good	2,473.34	1,407.19
Total	2,473.34	1,407.19

Note 9 - Cash and cash equivalents

Particulars	As at Mar 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	43.72	40.73
Cash on hand	1.11	1.90
Total	44.83	42.63

Note 10 - Equity Share

Particulars	As at Mar 31, 2022	As at March 31, 2021
Authorised		
8,96,344 equity shares of LKR 100 each	896.34 lacs LKR	896.34 lacs LKR
Issued, subscribed and fully paid up		
8,96,344 equity shares of LKR 100 each	409.63	409.63
Total	409.63	409.63

Note 11 - Other equity

Particulars	As at Mar 31, 2022	As at March 31, 2021
Reserves and surplus		
Retained earnings	1,785.70	1,470.28
Total	1,785.70	1,470.28

Note 12 - Lease liabilities

Navam Lanka Limited
Summary of significant accounting policies and other explanatory information
For the year ended Mar 31, 2022
(All amounts in Rs. lacs, unless otherwise stated)

Particulars	As at Mar 31, 2022	As at March 31, 2021
Non current	29.86	42.80
Current	3.55	5.05
Total	33.41	47.86

Note 13 - Non-current provisions

Particulars	As at Mar 31, 2022	As at March 31, 2021
Provision for employee benefits for:		
- Gratuity	33.49	29.71
- Compensated absences	4.31	4.55
Total	37.80	34.26

Note 14 - Current borrowings

Particulars	As at Mar 31, 2022	As at March 31, 2021
Secured loans - from banks		
Cash credit	705.40	420.97
Total	705.40	420.97

Note 15 - Trade payables

Particulars	As at Mar 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises ⁽ⁱ⁾	-	-
Total outstanding dues of creditors other than micro and small enterprises ⁽ⁱⁱ⁾	35.94	57.63
Total	35.94	57.63

Note 16 - Other current liabilities

Particulars	As at Mar 31, 2022	As at March 31, 2021
Advance received from customers	0.03	10.05
Contractually reimbursable expenses to related parties	4.34	1.28
Statutory remittances	0.61	1.32
Total	4.98	12.64

Note 17 - Revenue from operations

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Sale of products		
Manufactured goods	6,832.00	5,470.59
Other operating revenues		
Scrap Sales	2.82	3.32
Total	6,834.82	5,473.91

Note 18 - Other income

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Interest income		
Gain on foreign currency exchange fluctuation (net)	360.08	-
Total	360.08	-

Navam Lanka Limited
 Summary of significant accounting policies and other explanatory information
 For the year ended Mar 31, 2022
 (All amounts in Rs. lacs, unless otherwise stated)

Note 19 - Cost of material consumed

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Raw materials and bought out components consumed	4,283.68	4,035.68
Total	4,283.68	4,035.68

Note 20 - Changes in inventory of finished goods, work-in-progress and traded goods

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Opening stock		
Finished goods	55.91	214.48
Work-in-progress	354.37	157.04
Less: Closing stock		
Finished goods	100.85	55.91
Work-in-progress	72.20	354.37
Change in inventory of finished goods, work-in-progress and traded goods	237.23	(38.76)

Note 21 - Employee benefits expense

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Salaries and wages	212.59	193.04
Contribution to provident and other funds	12.22	11.81
Staff welfare expenses	14.17	12.97
Total	238.98	217.82

Note 22 - Finance cost

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Interest costs on		
- Borrowings	23.04	22.85
- Lease liabilities	4.79	5.16
Total	27.83	28.01

Note 23 - Depreciation and amortisation expense

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Depreciation of Property, Plant and Equipment	29.36	33.19
Amortisation of intangible assets	-	0.12
Depreciation of Right-of-use assets	1.41	1.50
Total	30.78	34.81

Navam Lanka Limited
 Summary of significant accounting policies and other explanatory information
 For the year ended Mar 31, 2022
 (All amounts in Rs. lacs, unless otherwise stated)

Note 24 - Other expenses

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Power and fuel	26.62	27.08
Rates and taxes	0.01	0.10
Legal and professional	4.15	4.95
Repairs and maintenance		
-Plant & machinery	55.81	52.11
-Buildings	4.96	5.36
-Others	13.39	8.81
Freight and forwarding	26.83	22.98
Travelling and conveyance	13.38	9.10
Insurance	1.49	1.54
Rent	3.31	3.17
Advertising and sales promotion	1.05	1.41
Communication	1.32	1.87
Printing and stationery	0.42	0.44
Payment to auditors	1.19	0.81
Written off/provision for doubtful trade receivables, loans and advances	0.01	3.98
Net loss on foreign currency transactions and translation	-	(51.43)
Loss on property plant and equipment discarded/scrap/written off	5.47	32.16
Expenditure on Corporate Social Responsibility	-	0.05
Bank charges	10.02	9.12
Vehicle Running Expenses	2.83	2.10
Miscellaneous expenses	11.86	9.84
Total	184.08	145.55

Note 25 - Tax expense

Particulars	For the year ended Mar 31, 2022	For the year ended March 31, 2021
Current Tax		
In respect of current year	304.90	144.97
Total	304.90	144.97

Navam Lanka Limited

Summary of significant accounting policies and other explanatory information

For the year ended Mar 31, 2022

(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 April 1, 2020	114.19	326.29	7.94	0.59	1.91	39.45	490.37
Additions during the year	-	0.88	0.15	0.33	-	-	1.36
Disposals/ adjustments	-	(66.40)	-	-	-	-	(66.40)
Foreign currency translation difference	(8.39)	(17.83)	(0.59)	(0.08)	(0.14)	(2.90)	(29.93)
As at March 31, 2021	105.80	242.94	7.50	0.84	1.77	36.55	395.40
Additions during the year	-	27.04	0.94	-	-	-	27.98
Disposals/ adjustments	-	(8.86)	-	-	-	-	(8.86)
Foreign currency translation difference	15.60	(77.87)	(2.52)	(0.23)	0.27	(10.91)	(75.66)
As at March 31, 2022	121.40	183.25	5.92	0.61	2.04	25.64	338.86
Accumulated depreciation							
As at April 1, 2020	25.64	53.30	1.98	0.37	0.59	12.28	94.16
Charge for the year	6.54	20.34	1.57	0.13	0.38	4.23	33.19
Disposals/ adjustments	-	(34.24)	-	-	-	-	(34.24)
Foreign currency translation difference	(2.32)	(1.14)	(0.26)	(0.05)	(0.07)	(1.17)	(5.01)
As at March 31, 2021	29.86	38.26	3.29	0.45	0.90	15.34	88.10
Charge for the year	7.00	15.06	2.87	0.12	0.37	3.93	29.35
Disposals/ adjustments	-	-	-	-	-	-	-
Foreign currency translation difference	(10.97)	(17.01)	(1.82)	-	(0.37)	(5.74)	(35.91)
As at March 31, 2022	25.89	36.28	4.34	0.40	0.90	13.53	81.54
Net carrying value							
As at March 31, 2022	95.51	146.97	1.58	0.21	1.14	12.11	257.36
As at March 31, 2021	75.94	204.68	4.21	0.39	0.87	21.21	307.30

Navam Lanka Limited
Statement of changes in equity for the year ended Mar 31, 2022
(All amounts in Rs. lacs, unless otherwise stated)

(a) Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	409.63	409.63
Add: shares issued during the year	-	-
Closing balance at the end of the year	409.63	409.63


Other equity

Particulars	Reserve and surplus	Foreign currency translation reserve	Total
	Retained earnings		
Balance as at April 1, 2019	739.25	(65.63)	673.62
Profit for the year	905.83	-	905.83
Other comprehensive income for the year	-	(109.18)	(109.18)
Total comprehensive income for the year	905.83	(109.18)	796.65
Adjustment on adoption of Ind AS-116 (refer note 17)	-	-	-
Transactions with owners in their capacity as owners - Interim equity dividend paid (including tax thereon)	-	-	-
Balance as at March 31, 2020	1,645.08	(174.81)	1,470.28
Profit for the year	1,887.42	-	1,887.42
Other comprehensive income for the year	-	(850.63)	(850.63)
Total comprehensive income for the year	1,887.42	(850.63)	1,036.79
Balance as at March 31, 2021	2,811.16	(1,025.44)	1,785.70


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's Registration No.: 025928C

For and on behalf of the Board of Directors


Deepak Kumar Swarnkar
Proprietor
Membership No: 424940
Place : Jaipur
Date : 16-05-2022




Rajat Sharma
Director

