



R Sogani & Associates
Chartered Accountants

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

INDEPENDENT AUDITOR'S REPORT
Prepared for Consolidation Purpose

From: R Sogani & Associates

Date:

**Subject: Consolidation of Gravita Metal Inc. For the year ended
31st March, 2019**

To: Deloitte Haskins & Sells, Gurgaon, India

In accordance with the instructions in your e-mail dated 26th February, 2019, we have audited, for purpose of your audit of the consolidated financial statements of Gravita India Limited, the accompanying balance sheet of Gravita Metal Inc. as at 31st March 2019, the Statement of profit and loss and also the Cash flow statement of the Firm for the year ended on the same date and other reconciliations and information (all collectively referred to as the Fit For Consolidation (FFC) Accounts).

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Balance Sheet of Gravita Metal Inc. as of 31st March, 2019 for the year then ended has been prepared, in all material respects, in accordance with the accounting policies generally accepted in India:

- a) In case of the consolidated Balance Sheet, of the state of affairs of the Firm's as at March 31st, 2019;
- b) In case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date.
- c) In case of the consolidated Cash Flow Statement, for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) Issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI.





R Sogani & Associates
Chartered Accountants

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the FFC Accounts

Management is responsible for the preparation and presentation of this 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. This FFC Accounts has been prepared solely to enable Gravita India Limited to prepare its consolidated financial information.

Auditor's Responsibilities

Our responsibility is to express an opinion on this 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the FFC Accounts is 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 Firm'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 Firm'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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Restriction to use and Distribution

These FFC accounts have been prepared for the purpose of providing information to **Gravita India Limited** to enable it to prepare the consolidated financial statement of the group, as a result these FFC accounts are not the complete set of financial statement of Gravita Metal Inc. in accordance with the accounting principles generally accepted in India and is not Intended to give a true and fair view of financial position of Gravita Metal Inc.as on 31st March, 2019 and of its financial performance,
[Type text]





R Sogani & Associates
Chartered Accountants

"Shree Dham"

R-20, YudhishterMarg, 'C'-Scheme, Jaipur - 302005

Tel: 2222734, 2220735, 2220736

E-mail: rsa@soganiprofessionals.com

Website: www.soganiprofessionals.com

in accordance with the accounting principles generally accepted in India. The financial information may, therefore, not be suitable for another purpose.

For R Sogani & Associates
Chartered Accountants
FRN: 018755C

(Bharat Sonkhiya)

Partner

Membership No: 403023

Place : Jaipur

Date : 27th May, 2019

[Type text]

Particulars	Note	As at Mar 31, 2019	As at March 31, 2018
I. ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	2	197.88	191.56
(b) Capital work-in-progress	3	-	22.30
(i) Loans	10	14.23	15.48
(c) Tax Assets (net)	7(a)	-	2.51
(d) Other non current assets	5(a)	303.82	1.88
		515.93	233.73
2 Current assets			
(a) Inventories	8	469.68	869.30
(b) Financial Assets			
(i) Trade receivables	4	562.85	261.33
(ii) Cash and cash equivalents	9(a)	2.65	3.28
(iii) Bank balances other than (ii) above	9(b)	299.01	291.54
(c) Current Tax Assets (Net)	7(b)	21.03	-
(d) Other current assets	5(b)	496.05	992.73
3 Assets held-for-sale		-	-
		1,851.27	2,418.18
Total Assets		2,367.20	2,651.91
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Partner's capital	11	759.03	285.04
(b) Other equity		-	-
Equity attributable to owners of the Company		759.03	285.04
Non-controlling interests		-	-
Total Equity		759.03	285.04
2 Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12(a)	14.76	20.03
(b) Provisions	13(a)	3.75	4.00
(c) Deferred tax Liabilities (net)	6	12.55	17.06
		31.06	41.09
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	863.43	1,567.64
(ii) Trade payables	16	705.59	705.59
(iii) Other financial liabilities	12(b)	4.91	-
(b) Other current liabilities	14	2.70	2.12
(c) Provisions	13(b)	0.48	0.48
(d) Current tax Liabilities (net)	17	-	49.95
		1,577.11	2,325.78
		1,608.17	2,366.87
Total Equity and Liabilities		2,367.20	2,651.91

See accompanying notes forming part of the financial statements

1 to 35

In terms of our report of even date

For R Sogani & Associates

Chartered Accountants

Firm Reg No :- 018755C

Bharat Sonkhiya

Partner

M.NO 403023

In the confirmation of the facts

Gravita Metal Inc

Rajat Agrawal

(Managing Director of partner company Gravita India Limited and Director of Gravita Infotech Limited)

Place : Jaipur

Date : 27-05-2019

Statement of profit and loss for the period ended Mar 31,2019

(Rs. In lacs)

Particulars	Note	For the year ended Mar 31, 2019	For the year ended March 31, 2018
I Revenue from operations	18	7,828.62	8,185.95
II Other income	19	12.32	43.20
III Total income (I + II)		7,840.94	8,229.15
IV Expenses:			
(a) Cost of materials consumed	20	6,701.85	7,309.24
(b) Excise duty		-	244.64
(c) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	21	368.77	(344.82)
(d) Employee benefits expense	22	156.42	138.61
(e) Finance costs	23	112.63	133.13
(f) Depreciation and amortisation expense	24	23.17	40.63
(g) Other expenses	25	153.90	136.37
Total expenses (IV)		7,516.74	7,657.80
V Share of profit of associates			
VI Profit before tax (III - IV + V)		324.21	571.36
VII Tax expense:			
(a) Current tax	26(a)	115.15	175.80
Excess provision for tax relating to earlier years written back			-
(b) Deferred tax charge	26(b)	(4.52)	(14.04)
		110.63	161.76
VIII Profit for the year (VI - VII)		213.58	409.60
IX Other comprehensive income (OCI)			
(a) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities		0.46	(0.22)
Income tax relating to items that will not be reclassified to profit or loss		(0.16)	0.08
Other comprehensive income		0.30	(0.14)
X Total comprehensive income for the year (VIII + IX)		213.88	409.46

See accompanying notes forming part of the financial statements

1 to 35

In terms of our report of even date

For R Sogani & Associates

Chartered Accountants

Firm Reg No :- 018755C

Bharat Sonkhya

Partner

M.NO 403023

In the confirmation of the facts

Gravita Metal Inc



Rajat Agrawal

(Managing Director of partner company

Gravita India Limited and Director of Gravita Infotech Limited)

Place : Jaipur

Date : 27-05-2019

Statement of Cash flows at at Mar 31, 2019

(Rs. In lacs)

Particulars	For the year ended		For the year ended	
	Mar 31, 2019		March 31, 2018	
A. Cash flow from operating activities				
Profit before extraordinary items and tax		324.21		571.36
Adjustments for :				
Depreciation and amortisation	23.17		40.63	
Lease hold land amortisation	-		-	
Loss/(Profit) on sale of fixed assets	8.17		4.93	
Finance Cost	112.63		112.64	
Interest income on deposits	(8.21)		(20.15)	
Interest income on Income Tax Refund	-		-	
Interest income on loans and advances and others	(4.11)		(23.05)	
Income from financial guarantee contracts	-		-	
Exp on ESOP	-		-	
Written off/provision for doubtful trade receivables, loans and advances	-		-	
		131.65		115.01
Operating profit before working capital changes		455.86		686.37
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	399.62		(381.31)	
Trade receivables	(301.52)		(38.47)	
Other non-current assets	(301.94)		1.91	
Other current financial assets			(30.85)	
Long-term loans and advances	1.26		-	
Short-term loans and advances	-		-	
Other current assets	496.69		(284.51)	
Tax Assets	(18.52)			
Other current financial assets	-		13.18	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(0.01)		455.76	
Other current financial liabilities	4.91		-	
Deferred Tax Liabilities	(4.52)		(14.04)	
Other current liabilities	0.58		(0.57)	
Long term and Short term Provisions	(0.26)		(3.71)	
Current Tax liabilities	(141.95)		(116.34)	
		134.36		(398.96)
Cash generated from operations		590.20		287.41
Income taxes paid		92.00		110.00
Net cash flow (used) / from operating activities (A)		682.20		397.41
B. Cash flow from investing activities				
Capital expenditure on fixed assets (adjusted for suppliers payable and capital work-In-Progress)	22.30		(15.51)	
Proceeds from sale of fixed assets	(37.66)		(11.87)	
Movement in Current and Non current investments				
Proceeds from Investment in non-current fixed deposits				
Interest income	12.32		43.20	
Movement in bank balances not considered as cash and cash equivalents	(7.47)			
Net cash flow from / (used in) investing activities (B)		(10.51)		15.81
C. Cash flow from financing activities				
Proceeds/Repayments from Current Capital	149.78		(1,297.37)	
Proceeds from long-term & Short term borrowings (net)	(709.49)		991.72	1 to 35
Finance cost	(112.62)		(112.64)	
Dividends paid	-		-	
Corporate dividend tax				
Net cash flow from / (used in) financing activities (C)		(672.33)		(418.29)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(0.64)		(5.07)
Cash and cash equivalents at the beginning of the year		3.29		8.36
Cash and cash equivalents at the end of the year		2.65		3.29

See accompanying notes forming part of the financial statements 1 to 35

In terms of our report attached.

For R Sogani & Associates

Chartered Accountants

Firm Reg No - 018755C

Bharat Sonkhiya

Partner

M.NO 403023

In the confirmation of the facts

Gravita Metal Inc

Rajat Agrawal

(Managing Director of partner company Gravita India Limited and Director of Gravita Infotech Limited)

Place : Jaipur

Date : 27-05-2019

Notes forming part of the financial statements

Note 1 - General information and Significant Accounting Policies

Note 1.1 - General information

Gravita Metal INC is a Partnership Firm incorporated in India, having registered office at Kathua of Jammu Kashmir State and having principal place of business in Kathua itself.

Their business operations currently encompass in Lead processing. The Firm carries out smelting of lead battery scrap / Lead concentrate to produce secondary Lead metal, which is further transformed into Pure Lead, Specific Lead Alloys.

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") and other relevant provisions of the Act, as applicable. The financial statements up to the period ended Mar 31, 2018 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP').

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 and generally as per requirement of Jammu & Kashmir Partnership Act 1966. The accounting policies not specifically mentioned are consistent with generally accepted accounting principles 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 firm 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

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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 impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2017 measured as per the previous GAAP. Cost is inclusive of inward freight, non refundable duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold Land is not depreciated.



IV. A. Depreciation / amortisation

- i. The firm is following the straight line method of depreciation in respect of Property,
- ii. Depreciation on all tangible assets is provided over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold Land is not depreciated.
- iii. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
- iv. Intangible assets, comprising of development expenditure on technical know how and commercial rights are amortised on a straight line method over a period of 5 years.

B. Impairment

(i). Financial assets

The Firm 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.

V. 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

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) Financial assets carried at fair value through other comprehensive income (FVTOCI): A financial asset is subsequently measured at FVTOCI if it is held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(iv) Financial assets carried at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

(v) Financial liabilities : Financial liabilities are subsequently measured at amortized cost using the effective interest 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.

VI Inventories

Finished goods and Stock-in-trade are valued at lower of cost (moving weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary.

The bases of determining costs for various categories of inventories are as follows:-

- | | |
|-------------------------------------|---|
| Raw material and components | - Weighted average |
| Work in progress and finished goods | - Material cost plus appropriate share of labour and other overheads. |

VII Employee Benefits

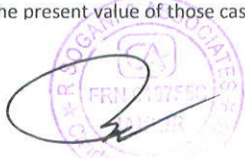
The firm has various schemes of employee benefits such as provident fund, employee state insurance scheme, gratuity and Compensated Absences, which are dealt with as under:

- i. 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. Provision for gratuity is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Re-measurement comprising actuarial gains and losses are recognized in the other comprehensive income for the period in which they occur and is not reclassified to profit or loss.
- iii. Provision for leave encashment (including long term compensated absences) is made based on an actuarial valuation. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.
- iv. 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.

VIII 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 firm 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 firm 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 firm 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).



Notes forming part of the financial statements

IX 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 firm'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.

Financial lease transactions entered are considered as financial arrangements and the leased assets are capitalised on an amount equal to the present value of future lease payments and corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

X 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.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

XI 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.

XII. 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 are:

(i) Useful lives and residual value of property, plant and equipment, intangible assets and investment properties : 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) Deferred tax assets : The Company has reviewed the carrying amount of deferred tax assets including 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.

XIII Operating Cycle

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

XIV Government Grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are recognized where there is reasonable assurance that the Company will comply with the conditions attached to it and that the grants will be received.

Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expenses.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

For R Sogani & Associates

Chartered Accountants

Firm Reg No :- 018755C

(Bharat Sonkhiya)

Partner

M.NO 403023

In confirmation of the facts

Gravita Metal Inc

Rajat Agrawal

(Managing Director of partner company Gravita India Limited and Director of Gravita Infotech Limited)

Place: Jaipur

Date : 27-05-2019

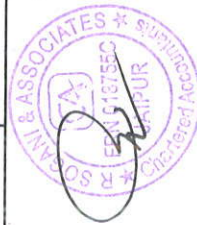
Gravita Metal Inc.
25, SICOP Industrial Area, Kathua, J&K

Notes forming part of the financial statements

Note 2 - Property, Plant and Equipment

As at Mar 31, 2019 and March 31, 2018

Particulars	Buildings	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Cost							
As at March 31, 2017	66.11	157.20	-	0.02	0.45	0.40	224.18
Additions during the year	-	10.43	1.15	0.30	-	-	11.88
Disposals/ Adjustments	-	(6.28)	-	-	(0.07)	-	(6.35)
Translation difference							-
As at March 31, 2018	66.11	161.35	1.15	0.32	0.38	0.40	229.71
Additions during the year	-	10.62	0.08	0.24	-	26.73	37.67
Disposals/ Adjustments	-	(11.21)	-	-	(0.05)	-	(11.26)
As at Mar 31, 2019	66.11	160.76	1.23	0.56	0.33	27.13	256.12
Depreciation							
As at March 31, 2017	2.92	16.04	-	-	0.07	0.06	19.09
Charge for the year	2.92	17.18	0.19	0.06	0.07	0.06	20.48
Deletions	-	(1.38)	-	-	(0.03)	-	(1.41)
As at Mar 31, 2018	5.84	31.84	0.19	0.06	0.11	0.12	38.16
Charge for the year	2.92	17.42	0.23	0.14	0.06	2.40	23.17
Deletions	-	(3.07)	-	-	(0.02)	-	(3.09)
As at Mar 31, 2019	8.76	46.19	0.42	0.20	0.15	2.52	58.24
Net block							
As at Mar 31, 2019	57.35	114.57	0.81	0.36	0.18	24.61	197.88
As at March 31, 2018	60.27	129.51	0.96	0.26	0.28	0.28	191.56
As at March 31, 2017	63.19	141.16	-	0.02	0.38	0.34	205.09



Notes forming part of the financial statements

Note 3 - Capital work-in-progress

(Rs. In lacs)

Particulars	As at Mar 31, 2019	As at March 31, 2018
Opening balance of CWIP		
Add: additions made during the year		
Less: Capitalised during the year		
Closing balance as on reporting date	-	-
Capital work-in-progress	-	22.30
Total	-	22.30



Notes forming part of the financial statements

Note 4 - Trade receivables

Particulars	As at Mar 31, 2019	As at March 31, 2018
Secured (Considered good)	-	-
Unsecured, considered good	562.85	261.33
	562.85	261.33

(i) The credit period generally allowed on sales varies, on case to case basis, business to business, based on market conditions. Maximum credit period allowed is upto 120 days.

(iv) Age of receivables:

Particulars	As at Mar 31, 2019	As at March 31, 2018
within the credit period	562.85	261.33
1 to 180 days past due	-	-
More than 180 days past due	-	-

Note 5 - Other assets

Particulars	As at Mar 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Non Current		
Advances other than capital advances		
Prepaid expenses-non current	-	0.28
Prepaid lease (leasehold land)-non current	-	1.60
Others (amount deposited with Government authorities)-non current	303.82	-
Total (a)	303.82	1.88
(b) Current		
Advances to related parties	-	0.04
Advances to vendors	171.07	512.70
Advances to employees	2.92	1.67
Prepaid expenses	3.00	2.74
Prepaid lease (leasehold land)	1.61	1.91
Others (amount deposited with Government authorities)	317.45	473.68
Total (b)	496.05	992.73



Notes forming part of the financial statements

Note 6 - Deferred tax assets (net)

Particulars	As at Mar 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax assets		
Other temporary differences	(12.55)	(17.06)
	(12.55)	(17.06)
Tax effect of items constituting deferred tax liability		
Deferred tax assets (net)	(12.55)	(17.06)

Note 7 - Tax Assets (Net)

Particulars	As at Mar 31, 2019	As at March 31, 2018
(a) Non Current		
Advance income tax and tax deducted at source receivables	-	2.51
Total (a)	-	2.51
(b) Current		
Advance income tax and tax deducted at source receivables	21.03	-
Total (b)	21.03	-

Note 8 - Inventories *

(At lower of cost and net realisable value)

Particulars	As at Mar 31, 2019	As at March 31, 2018
(a) Raw materials and bought out components	189.47	217.84
(b) Work-in-progress	197.85	426.14
(c) Finished goods (other than those acquired for trading)	45.75	186.23
(d) Stores and spares	14.23	15.40
(e) Consumables	22.38	23.69
	469.68	869.30
Less : Write down of inventory to net realisable value	-	-
	469.68	869.30

Note 9 - Cash and cash equivalents

Particulars	As at Mar 31, 2019	As at March 31, 2018
(a) Cash and cash equivalents		
Balances with banks		
-on current accounts	0.98	2.80
Cash on hand	1.67	0.48
Total (a)	2.65	3.28
(b) Bank balances Other than (a) above		
Other bank balances		
(i) In earmarked accounts		
Balances held as margin money against borrowings	299.01	291.54
Total (b)	299.01	291.54

Note 10 - Loans

Particulars	As at Mar 31, 2019	As at March 31, 2018
(a) Non current, Unsecured, considered good		
(i) Security deposits	14.23	15.48
Total (a)	14.23	15.48



Notes forming part of the financial statements

Note 11 - Partner's Capital

(Rs. In lacs)

Particulars	As at Mar 31, 2019	As at March 31, 2018
	Amount	Amount
(a) Fixed Capital		
Gravita India Limited	95.00	95.00
Gravita Infotech Limited	5.00	5.00
(b) Current Capital		
Gravita India Limited	654.17	165.71
Gravita Infotech Limited	4.86	19.33
Total	759.03	285.04



Notes forming part of the financial statements

Note 12 (a) - Non - current financial liabilities - Borrowings (at amortised cost) #

(Rs. In lacs)

Particulars	As at Mar 31, 2019	As at March 31, 2018
Unsecured		
(a) Term loan		
-Long term Borrowings (inc. Current Maturity)-others	14.76	20.03
	14.76	20.03

Notes :-

Vehicle loan from banks carry interest ranging from 8.5% p.a., The loans are secured by way of hypothecation of vehicles and repayable in equal monthly installments over a period of 60 Months.

Note 12 (b) - Other financial liabilities

Particulars	As at Mar 31, 2019	As at March 31, 2018
(b) Current		
Current maturities of long terms debt	4.91	-
	4.91	-

Pertains to current Maturities of Vehicle Loan

Note 13 - Provisions

Particulars	As at Mar 31, 2019	As at March 31, 2018
(a) Long - term		
Provision for employee benefits		
Provision for gratuity (net)	2.79	2.98
Provision for compensated absences	0.96	1.02
	3.75	4.00
(b) Other than Long term		
Provision for employee benefits		
Provision for gratuity (net)	0.27	0.24
Provision for compensated absences	0.22	0.24
	0.48	0.48

Note 14 - Other Liabilities

Particulars	As at Mar 31, 2019	As at March 31, 2018
Current		
Advance received from customers	0.64	1.54
Other payables	-	-
-Statutory remittances*	2.06	0.58
	2.70	2.12

*Statutory remittance only includes TDS payable under various sections of Income Tax Act, 1961 and GST Payments under GST Laws



Notes forming part of the financial statements

Note 15 - Current financial liabilities - Borrowings (at amortised cost)

Particulars	As at Mar 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand		
From banks		
Cash credit / overdraft	863.43	881.17
Unsecured		
Borrowing from bank	-	3.47
ST borrowing-from Other parties	-	683.00
	863.43	1,567.64

Note 16- Trade Payables

Particulars	As at Mar 31, 2019	As at March 31, 2018
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	705.59	705.59

Note 17 - Tax Liabilities (Net)

Particulars	As at Mar 31, 2019	As at March 31, 2018
Tax liabilities		
Provision for taxation	(0.00)	49.95
	(0.00)	49.95



Notes forming part of the financial statements

Note 18 - Revenue from operations

(Rs. In lacs)		
Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
(a) Sale of products (including excise duty)		
Manufactured goods	7,620.95	8,080.51
Traded goods	1.22	-
Total	7,622.17	8,080.51
(b) Other operating revenues		
GST incentives (refund)	199.93	105.44
Scrap Sales	6.52	-
Revenue from operations	7,828.62	8,185.95

Note 19 - Other income

(Rs. In lacs)		
Particular	For the year ended Mar 31, 2019	For the year ended March 31, 2018
(a) Interest income		
Interest income earned on financial assets that are not designated as at fair value through profit and loss		
(a) On bank deposits (at amortised cost)	8.21	20.15
(b) On income tax refunds	-	-
(b) On other financial assets carried at amortised cost	4.11	23.05
Total	12.32	43.20



Notes forming part of the financial statements

Note 20 - Cost of material consumed

(Rs. In lacs)

Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
Raw materials and bought out components consumed	6,701.85	7,309.24
	6,701.85	7,309.24

Note 21 - Changes in inventory of finished goods, work-in-progress and stock-in-trade

(Rs. In lacs)

Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
Opening stock		
Finished goods	186.23	43.61
Work-in-progress	426.14	223.94
Less: Closing stock		
Finished goods	45.75	186.23
Work-in-progress	197.85	426.14
Stock-in-trade	0.00	-
Net increase/ (decrease) in inventory of finished goods, work-in-progress and stock-in-trade	368.77	(344.82)
	368.77	(344.82)



Notes forming part of the financial statements

Note 22 - Employee benefits expense

(Rs. In lacs)

Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
(i) Salaries and wages	138.45	121.82
(ii) Contribution to provident and other funds	8.97	8.29
(iii) Staff welfare expenses	9.00	8.51
	156.42	138.61

Note 23 - Finance cost

(Rs. In lacs)

Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
(a) Interest costs on - Borrowings	109.41	103.41
(b) Corporate Guarantee Expenses	-	20.49
(c) Other borrowing costs	3.22	9.22
	112.63	133.13

Note 24 - Depreciation and amortisation expense

(Rs. In lacs)

Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
(a) Depreciation of Property, Plant and Equipment	23.17	40.63
(b) Amortisation of intangible assets	-	-
	23.17	40.63

Note 25 - Other expenses

(Rs. In lacs)

Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
Power and fuel	12.29	11.62
Rates and taxes	3.86	1.84
Legal and professional	3.40	6.37
Repairs and maintenance		
-Plant & machinery	36.65	26.73
-Buildings	3.06	2.22
-Others	2.10	2.18
Freight and forwarding	43.37	59.90
Travelling and conveyance	3.41	4.24
Insurance	0.62	2.66
Rent	5.40	5.29
Lease prepayment amortisation	1.91	1.91
Advertising and sales promotion	0.54	0.59
Communication	1.91	1.70
Training and recruitment	-	0.08
Printing and stationery	0.76	0.57
Donations and contributions	-	-
Payment to auditors	1.68	0.47
Loss on property plant and equipment discarded/scrap/written off	8.17	4.93
Bank charges	2.31	0.29
Vehicle hire expenses	0.38	0.03
Vehicle running expenses	19.60	2.17
Miscellaneous expenses	2.48	0.58
	153.90	136.37



Note 26 - Tax expense

(Rs. In lacs)

Particulars	For the year ended Mar 31, 2019	For the year ended March 31, 2018
(a) Current Tax		
Current tax expense	115.15	175.80
Short provision for tax relating to prior years	-	-
	115.15	175.80
(b) Deferred tax charge / (credit)		
In respect of current year	(4.52)	(14.04)
Adjustments to deferred tax attributable to changes in income tax rate from 34.61% to 34.94% (effective April 01, 2018)	-	-
	(4.52)	(14.04)
Income tax recognised in Profit and Loss	110.63	161.76
The Income tax expense for the year can be reconciled to the accounting profit as follows :-		
Profit before tax	324.21	571.36
Income tax expense calculated at 34.608% (Previous year 34.608%)	112.20	197.74
Effect of income that is exempt from taxation	-	-36.49
Income exempt from tax (Exempted U/s 10A)	0.67	7.75
Due to impact of previous year deferred tax created on lease hold land corrected in CY	-	(4.67)
Others	(2.40)	(2.49)
Income tax expense recognised in statement of profit and loss	110.47	161.83
(c) Income tax recognised in other comprehensive income (OCI)		
Arising on income and expenses recognised in OCI		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligation	0.16	(0.08)
	0.16	(0.08)
(d) Deferred tax movements		
Deferred tax assets/(liabilities) in relation to:		
		(Rs. In lacs)
Particulars	Provision for gratuity and compensated absences	Depreciation
As at March 31, 2017	1.23	(32.35)
profit or loss	1.43	12.69
Other comprehensive income	(0.08)	-
As at March 31, 2018	2.59	(19.66)
(charged)/credited to:		
profit or loss	-0.44	4.80
Other comprehensive income	0.16	-
As at March 31, 2019	2.31	(14.86)



Notes forming part of the financial statements

Note 27 - Disclosure under Ind-AS 17 "Leases"**ii) Operating leases :**

General description of the Firm's operating lease arrangements:

The firm has entered into operating lease arrangements for Land.

Some of the significant terms and conditions of the arrangements are:

- agreements are generally executed for the period of 11 months and may generally be terminated by either party by serving a notice period
- the lease arrangements are generally renewable on the expiry of the lease period subject to mutual agreement;
- the Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

Future minimum lease payments under non cancellable operating leases are :

Particulars	(Rs. In lacs)	
	As at March 31, 2019	As at March 31, 2018
- Not later than one year	1.32	2.27
- Later than one year but not more than 5 years	-	0.08
- Later than 5 years		

	(Rs. In lacs)	
	Current year	Previous year
Lease rent in respect of the above, charged to the statement of profit and loss for the year :	5.40	4.71

Note 28 - Auditors' remuneration

Particulars	(Rs. In lacs)	
	As at March 31, 2019	As at March 31, 2018
(a) For audit	1.41	0.28
(e) For other services	0.27	0.19
	1.68	0.47

Note 29 - Disclosures related to Government Grant

Nature of Grant/assistance	Income/Expenses Head	(Rs. In lacs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
Income-Intt Subsidy	Interest On Borrowings	-	25.49
		-	25.49



Note 30 - Financial Instruments by Categories

The criteria for recognition of financial instruments is explained in significant accounting policies note 1.

(Rs. In lacs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
Financial assets						
Investments						
- Government securities						
Trade receivables	562.85	-	-	261.33		
Cash and cash equivalents and bank balances	-	-	-	-		
Other financial assets	301.66	-	-	294.82		
	-	-	-	-		
Total financial assets	864.51	-	-	556.15	-	-
Financial liabilities						
Borrowings	863.43	-	-	1,567.64		
Trade payables	705.59	-	-	705.59		
Other financial liabilities	4.91	-	-	-		
Total financial liabilities	1,573.92	-	-	2,273.23	-	-

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

(ii) This does not include investment in subsidiaries which have been carried at cost

Note 31 - Capital Management

The firm manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders through maintaining reasonable balance between Debt and equity. The capital structure of the firm consists of net debt (borrowings net of cash and cash equivalents) and total equity of the firm. The firm is not subject to any externally imposed capital requirements. The firm's management reviews the capital structure of the firm on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The firm also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio, Debt to EBITDA Ratio to arrive at an appropriate level of debt and accordingly evolve its capital structure.

The following table provides detail of the debt and equity at the end of the reporting period:

(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (includes long term and short term borrowings)	19.67	20.03
Cash & cash equivalents	2.65	3.28
Net debt	17.01	16.75
Total equity	759.03	285.04
Gearing Ratio	0.02	0.06

Note 32 - Financial Risk Management

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

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

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

(a) Market risk

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

(i) Foreign Currency Risk Management

As the firm is not dealing in foreign currency so there is no foreign currency risk exist

(ii) Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the firm's net income or financial position. Changes in interest rates may cause variations in interest income and expenses

resulting from interest-bearing assets and liabilities. The firm's exposure to the risk of changes in market interest rates relates primarily to the firm's long-term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the firm's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit before tax	
	Current year	Previous year
Interest rate - increase by 100 basis points (100 bps)*	7.83	9.29
Interest rate - decrease by 100 basis points (100 bps)*	-7.83	-9.29

* Holding all other variable constant



Liquidity risk is the risk that the firm will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The firm has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The firm's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The firm manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The firm also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Particulars	(Rs. In lacs)	
	As at March 31, 2019	As at March 31, 2018
Total committed working capital limits from Banks	900.00	900.00
Utilized working capital limit	863.43	881.17
Unutilized working capital limit	36.57	18.83

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities

Particulars	(Rs. In lacs)			
	Upto 1 year	Between 1 year to 5 years	Over 5 years	Total
As at March 31, 2019				
Non-derivatives	5.99	16.96	-	22.95
Borrowing *			-	-
Trade payable			-	-
Other financial liabilities			-	-
Total non-derivatives liabilities	5.99	16.96	-	22.95
As at March 31, 2018				
Non-derivatives	5.65	22.95	-	28.61
Borrowing *			-	-
Trade payable			-	-
Other financial liabilities			-	-
Total non-derivatives liabilities	5.65	22.95	-	28.61

* Excludes utilized working capital limited disclosed above in Liquidity risk management.



Notes forming part of the financial statements

Note 33 - Contingent liabilities and commitments

(Rs. In lacs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(a) Contingent Liabilities		
-Claim against the company not acknowledged as debt*		
-Excise Duty/Customs Duty/Service Tax	98.42	98.42
-Value Added Tax/ Central Sales Tax/Entry Tax		
	98.42	98.42
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	-
Total	98.42	98.42

* All the matters above other than guarantee given by the Firm are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, in the opinion of the management, will not have a material effect on the results of the operations or financial position of the Firm

Details of dues of Service Tax, Excise Duty and Custom Duty as on March 31, 2019 not deposited/deposited under protest on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved# (in lacs)
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	AY 2013-14, 2014-15, 2015-16, 2016-17	98.42

includes interest and penalty, wherever applicable.



Notes to the financial statement

Note 34 - Related party disclosures under Accounting Standard Ind-AS - 24 "Related Party Disclosures"

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

Transactions with related parties :

(Rs. In lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sales to Related Party		
Gravita India Ltd	79.47	151.53
Gravita Metals	37.44	-
	-	-
Purchases From Related Party		
Gravita India Ltd	9.16	-
Gravita Metals	2.64	-
	-	-
Expenses reimbursed / incurred		
Gravita Metals	-	0.03
Gravita India Ltd	1.20	-

Closing balances with related parties :

(Rs. In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Particulars		
Balance outstanding as at year end		
Receivables / advances		
Gravita Metals	-	3.09
Recoverable from related party		
Gravita India Ltd	-	-
Capital Balances		
Gravita India Ltd	654.17	165.71
Gravita Infotech Limited	4.86	19.33



Notes forming part of the financial statements

Note 35 - Employee benefits plans

(i) Defined Contribution Plans

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

The Firm has recognised for contributions to these plans in the statement of profit and loss as under :

Particulars	(Rs. In lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to provident and other fund	8.97	8.29

(ii) Defined benefits plans

The employees' gratuity fund scheme managed by a trust namely Gravita India Limited Employees Gratuity Trust is defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is determined based on actuarial valuation as at the end of each financial year using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

Earned leaves – Long term leaves includes earned leaves. These have been provided on accrual basis, based on year end actuarial valuation.

These plans typically expose the Firm to actuarial risks such as investment risk, salary risk, interest rate risk and longevity risk.

Investment Risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk -The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk -The plan exposes the Firm to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk -The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

Reconciliation of opening and closing balances Defined Benefit Obligation

Particulars	(Rs. In lacs)			
	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31,2019	For the year ended March 31,2018	For the year ended March 31,2019	For the year ended March 31,2018
Change in benefit obligation (A)				
1. Present value of obligation as at the beginning of the year	3.22	2.19	1.26	1.40
2. Current service cost	0.67	0.65	0.38	0.37
3. Interest cost	0.25	0.17	0.10	0.11
4. Actuarial (gain) / loss	-0.46	0.22	-0.29	-0.61
5. Benefits paid	-0.62	-	-0.27	-
6. Present value of obligation as at the end of the year	3.06	3.22	1.18	1.26
	-	-	-	-
Change in plan assets (B)				
1. Fair value of plan assets at the beginning of the year	-	-	-	-
2. Actual return on plan assets	-	-	-	-
3. Contribution by the Firm	-	-	-	-
4. Benefits paid	-	-	-	-
5. Fair value of plan assets at the end of the year	-	-	-	-
Liability recognized in the financial statement (A-B)	3.06	3.22	1.18	1.26
Composition of plan assets				
Other than equity, debt, property and bank account *	100%	100%	-	-
Main actuarial assumption				
Discount rate	7.65%	7.71%	7.65%	7.71%
Expected rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Expected rate of return on plan assets	-	-	-	-
Expected average remaining working lives of employees (years)	19.78	19.90	-	-
Average remaining working lives of employees with Mortality and Withdrawal (years)	-	-	-	-
Mortality rates inclusive of provision for disability (100% of Indian Assured)	100%	100%	100%	100%
Lives Mortality (IALM) (2006-08):-				
Attrition at Ages				
Age upto 30 years	3%	3%	3%	3%
Age from 31 to 44 years	2%	2%	2%	2%
Age above 44 years	1%	1%	1%	1%
Retirement age (years)	58	58	58	58



Maturity profile of defined benefit obligation

(Rs. In lacs)

Year	Gratuity	Earned leaves
0 to 1 year	0.27	0.22
1 to 2 year	0.04	0.11
2 to 3 year	0.28	0.02
3 to 4 year	0.04	0.02
4 to 5 year	0.05	0.02
5 to 6 year	0.05	0.02
6 year onwards	2.32	0.79

* The plan assets are maintained with Bajaj Allianz under Group Gratuity Care Scheme. The details of investments maintained by Bajaj Allianz are not available with the Firm and have not been disclosed.

(Rs. In lacs)

Particulars	Gratuity		Earned leaves	
	Current year	Previous year	Current year	Previous year
Cost for the period				
1. Current service cost	0.67	0.65	0.38	0.37
2. Net interest cost	0.25	0.17	0.10	0.11
3. Actuarial (gain) / loss	-	-	-0.27	-0.61
Total amount recognised in profit or loss	0.92	0.81	0.20	(0.14)
Re-measurements recognised in Other comprehensive income				
1. Actuarial gain / (loss) on plan assets	0.02	-0.08	-	-
2. Effect of changes in demographic assumptions	-	0.30	-	-
3. Effect of changes in financial assumptions	-	-	-	-
4. Effect of experience adjustments	-0.49	-	-	-
Total re-measurements included in Other Comprehensive Income	-0.46	0.22	-	-
Total amount recognised in statement of profit and loss	1.38	0.59	0.20	(0.14)

Sensitivity analysis of the defined benefit obligation

The significant actuarial assumption for the determination of defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

(Rs. In lacs)

Particulars	Gratuity	Earned leaves
Present value of Obligation at the end of the year	3.06	1.18
a) Impact of the change in discount rate		
i). Impact due to increase of 0.50%	-0.19	-0.07
ii). Impact due to decrease of 0.50%	0.21	0.08
	-	-
b) Impact of the change in salary increase		
i). Impact due to increase of 0.50%	0.21	0.08
ii). Impact due to decrease of 0.50%	-0.20	-0.07

See accompanying notes forming part of the financial statements

In terms of our report of even date

For R Sogani & Associates

Chartered Accountants

Firm Reg No :- 018755C

Bharat Sonkhya

Partner

M.NO 403023

In the confirmat In the confirmation of the facts
Gravita Metal Inc

Rajat Agrawal

(Managing Director of partner company Gravita India Limited and
Director of Gravita Infotech Limited)

Place : Jaipur

Date : 27-05-2019