



Swarnkar & Co

Chartered Accountants

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

From: Swarnkar & Co.

Subject: Component Audit of Gravita Mozambique Lda for the year ended 31st March, 2020

To: R Sogani & Associates, Jaipur, India

We have audited, for the purpose of your audit of the consolidated financial statements of **Gravita Global PTE Limited**, the accompanying Balance Sheet of **Gravita Mozambique Lda** as at 31st March 2020, and Profit & Loss A/c and other reconciliations and information (all collectively referred to as the Fit For Consolidation (FFC) Accounts)

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 **Gravita Mozambique Lda** as of **31st March, 2020** and for the year then ended has been prepared, in all material respects, in accordance with accounting principles generally accepted in India.

Restriction on Use and Distribution

These FFC Accounts have been prepared for purposes of providing information to **Gravita Globle Pte Ltd.** to enable it to prepare the consolidated financial statements of the Group. As a result, these FFC Accounts are not a complete set of financial statements of Gravita Global Pte Ltd. in accordance with the accounting principles generally accepted in India and is not intended to give a true and fair view of the financial position of **Gravita Mozambique Lda** as of *31st March 2020*, and of its financial performance, in accordance with the accounting principles generally accepted in India. The financial information may, therefore, not be suitable for another purpose.

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

Deepak Kumar Swarnkar
(Proprietor)

M. No:-424940

Date: 16-06-2020

UDIN: 20424940AAAAFJ7413






Gravita Mozambique LDA
Balance sheet As at Mar 31, 2020

(Rs. In lacs)

Particulars	Note	As at	
		Mar 31, 2020	Mar 31, 2019
I. ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	2	75.44	82.89
(b) Capital work-in-progress		206.84	179.37
(c) Investment property		150.40	-
(d) Financial Assets			
(i) Loans	3	1,429.02	23.96
(e) Other non current assets	8 (a)	0.31	-
		1,862.01	286.22
2 Current assets			
(a) Inventories	4	649.01	463.22
(b) Financial Assets			
(i) Trade receivables	5	2,706.86	2,495.97
(ii) Cash and cash equivalents	6	110.96	54.59
(iii) Others	7	17.91	15.95
(c) Other current assets	8 (b)	98.20	117.98
		3,582.94	3,147.71
Total Assets		5,444.95	3,433.93
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	22	260.67	128.35
(b) Other equity	1	3,546.15	2,678.85
Total Equity		3,806.82	2,807.20
2 Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities		82.56	-
(b) Provisions	9	4.88	6.48
		87.44	6.48
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	976.45	338.25
(ii) Trade payables	11	299.17	249.59
(iii) Lease liabilities		87.76	-
(iv) Other financial liabilities	12	1.23	0.88
(b) Other current liabilities		64.00	-
(c) Current tax Liabilities (net)	13	122.08	31.53
		1,550.69	620.25
Total Equity and Liabilities		5,444.95	3,433.93


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)



Gravita Mozambique LDA
Statement of profit and loss For the period ended Mar 31, 2020

Particulars	Note	(Rs. In lacs)	
		For the period ended Mar 31, 2020	For the year ended Mar 31, 2019
I Revenue from operations	14	7,232.85	7,023.13
II Other income	15	98.31	68.28
III Total income (I + II)		7,331.16	7,091.41
IV Expenses:			
(a) Cost of materials consumed	16	4,004.17	3,476.38
(b) Purchases of Stock-in-trade	17	1,220.05	1,838.02
(c) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	18	(156.89)	(7.66)
(d) Employee benefits expense	19	283.83	277.71
(e) Finance costs	20	85.09	19.64
(f) Depreciation and amortisation expense	21	109.06	40.07
(g) Other expenses	22	849.35	743.02
Total expenses (IV)		6,394.66	6,387.18
V Profit before tax (III - IV + V)		936.50	704.23
VI Tax expense:			
(a) Current tax	23	161.77	107.80
Excess provision for tax relating to earlier years written back			-
		161.77	107.80
VII Profit for the year (VI - VII)		774.73	596.43
VIII Other comprehensive income (OCI)			
(a) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		110.12	9.91
Other comprehensive income		110.12	9.91
IX Total comprehensive income for the year (VIII + IX)		884.85	606.34

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)

Gravita Mozambique LDA

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

Note 1 :- Other equity

Particulars	(Rs. In lacs)			
	Reserves and surplus	Other equity		Total
		Surplus in Statement of Profit and Loss	Legal reserve	
Balance as at March 31, 2018	2,097.71	-	(55.18)	2,042.53
1 Profit for the year	626.41	-	-	626.41
2 Other comprehensive income for the year, net of income tax	-	-	9.91	9.91
Total comprehensive income for the year	626.41	-	9.91	636.32
Balance as at March 31, 2019	2,724.12	-	(45.27)	2,678.85
1 Profit for the year	774.73	-	-	774.73
2 Other comprehensive income for the year, net of income tax	-	-	110.12	110.12
Total comprehensive income for the year	774.73	-	110.12	884.85
1 Transfer to Legal reserve	(62.82)	-	-	(62.82)
2 Impact of Ind AS 116	(17.55)	-	-	(17.55)
3 Transfer from Profit and Loss	-	62.82	-	62.82
Balance as at March 31, 2020	3,418.48	62.82	64.85	3,546.15

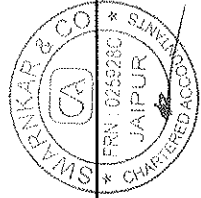


Gravita Mozambique LDA

Notes forming part of the financial statements

Note 2 - Property, Plant and Equipment

Particulars	(Rs. In lacs)						Total
	Buildings	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	
Cost							
As at March 31, 2018	1.02	120.74	1.17	1.64	1.81	39.13	165.51
Additions during the year	-	8.14	0.78	-	-	-	8.92
Disposals/ Adjustments	-	-	(0.44)	-	-	-	(0.44)
Translation difference	0.03	2.74	0.01	0.04	0.05	1.05	3.92
As at March 31, 2019	1.04	131.62	1.51	1.68	1.86	40.17	177.88
Additions during the year	-	19.84	1.85	0.08	1.25	5.85	28.87
Translation difference	0.05	5.95	0.08	0.08	0.09	1.82	8.07
As at March 31, 2020	1.09	157.41	3.44	1.84	3.20	47.84	214.82
Depreciation							
As at March 31, 2018	0.38	40.78	0.48	0.57	0.38	13.41	56.00
Charge for the year	0.06	29.62	0.33	0.43	0.20	9.44	40.08
Deletions	-	-	(0.04)	-	-	-	(0.04)
Translation difference	0.01	(0.69)	(0.13)	(0.02)	(0.00)	(0.21)	(1.04)
As at March 31, 2019	0.45	69.71	0.76	0.99	0.57	22.64	94.99
Charge for the year	0.06	31.55	0.46	0.39	0.26	7.23	39.95
Translation difference	0.02	3.25	0.04	0.05	0.03	1.04	4.44
As at March 31, 2020	0.53	104.52	1.26	1.43	0.87	30.90	139.38
Net block							
As at March 31, 2020	0.56	52.94	2.20	0.41	2.33	17.00	75.44
As at March 31, 2019	0.59	61.90	0.75	0.69	1.29	17.53	82.89



Gravita Mozambique LDA
Notes forming part of the financial statements
Note 3 - Loans

Particulars	(Rs. In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Non current, Unsecured, considered good		
Security deposits	21.40	23.95
Loan to related parties	1,407.62	-
Total	1,429.02	23.95

Note 4 - Inventories

Particulars	(Rs. In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
(a) Raw materials and bought out components	79.03	9.61
Goods-in-transit	-	45.42
(b) Work-in-progress	335.13	151.12
Goods-in-transit	-	97.66
(c) Stock-in-trade (in respect of goods acquired for trading)	116.14	45.60
(d) Stores and spares	106.53	99.58
(e) Consumables	12.18	14.23
Total	649.01	463.22

Note 5 - Trade receivables

Particulars	(Rs. In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Secured (Considered good)	-	-
Unsecured, considered good	2,706.86	2,495.97
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
Total	2,706.86	2,495.97

Note 6 - Cash and cash equivalents

Particulars	(Rs. In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Cash and cash equivalents		
Balances with banks		
-on current accounts	21.53	7.99
Cash on hand	6.73	0.98
Cheques on hand	82.70	45.62
Total	110.96	54.59

Note 7 - Financial assets - Others

Particulars	(Rs. In lacs)	
	As at Mar 31, 2020	As at Mar 31, 2019
Current		
Other Contractual receivables from related parties	17.91	15.95
Total	17.91	15.95



Gravita Mozambique LDA
Notes forming part of the financial statements

Note 8 - Other assets

(Rs. In lacs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Unsecured, considered good		
(a) Non Current		
Capital advances	0.31	-
Total (a)	0.31	-
(b) Current		
Advances to vendors	86.42	59.91
Advances to employees	10.44	56.95
Prepaid expenses	1.34	1.12
Total	98.20	117.98

Note 22 - Equity share capital

(Rs. In lacs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Authorised		
19,905,000 Equity Shares (Previous year 7905000 shares) of 1 MZN Each fully paid up	199.05 MZN	79.05 MZN
Total	199.05 MZN	79.05 MZN
Issued, subscribed and fully paid up		
7905000 Equity Shares of 1 MZN Each fully paid up	260.67	128.35
Total	260.67	128.35

Note 9 - Provisions

(Rs. In lacs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Long - term		
Provision for compensated absences	4.88	6.47
Total	4.88	6.47

Note 10 - Current financial liabilities - Borrowings (at amortised cost)

(Rs. In lacs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Secured		
Loans repayable on demand		
From banks		
Cash credit / overdraft	976.45	338.25
Total	976.45	338.25

Note 11 - Trade payables

(Rs. In lacs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Sundry creditors	264.59	66.02
Sundry creditors Related Party	33.18	167.24
Employee & Workers related payables (including flexi, Bonus, LTA e	1.40	16.33
Total	299.17	249.59



Gravita Mozambique LDA
Notes forming part of the financial statements

Note 12 - Other financial liabilities

(Rs. In lacs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Current		
- Payable for purchase of fixed assets	1.23	0.88
	1.23	0.88

Note 13 - Tax Liabilities (Net)

(Rs. In lacs)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Provision for taxation	122.08	31.53
Total	122.08	31.53

Note 14 - Revenue from operations

(Rs. In lacs)

Particulars	For the period ended Mar 31, 2020	For the year ended Mar 31, 2019
Sale of products		
Manufactured goods	5,423.50	4,656.76
Traded goods	1,809.35	2,366.37
Revenue from operations	7,232.85	7,023.13

Note 15 - Other income

(Rs. In lacs)

Particular	For the period ended Mar 31, 2020	For the year ended Mar 31, 2019
Interest income		
Interest income earned on financial assets that are not designated as at fair value through profit and loss		
On bank deposits (at amortised cost)	0.03	0.20
(b) On other financial assets carried at amortised cost	46.52	-
Other non-operating income		
Miscellaneous income	-	0.06
Gain on foreign currency exchange fluctuation (net)	51.76	68.02
Total	98.31	68.28

Note 16 - Cost of material consumed

(Rs. In lacs)

Particulars	For the period ended Mar 31, 2020	For the year ended Mar 31, 2019
Raw materials and bought out components consumed	4,004.17	3,476.38
Total	4,004.17	3,476.38

Note 17 - Purchase of stock-in-trade

(Rs. In lacs)

Particulars	For the period ended Mar 31, 2020	For the year ended Mar 31, 2019
Others	1,220.05	1,838.02
Total	1,220.05	1,838.02



Gravita Mozambique LDA

Notes forming part of the financial statements

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

(Rs. In lacs)

Particulars	For the period ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Opening stock		
Finished goods	97.66	95.12
Work-in-progress	151.12	147.19
Stock-in-trade	45.60	44.41
Less: Closing stock		
Finished goods	-	97.66
Work-in-progress	335.13	151.12
Stock-in-trade	116.14	45.60
Net increase/ (decrease) in inventory of finished goods, work-in-progress and stock-in-trade	-156.89	-7.66

Note 19 - Employee benefits expense

(Rs. In lacs)

Particulars	For the period ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Salaries and wages	239.28	234.73
Contribution to provident and other funds	9.80	9.60
Staff welfare expenses	34.74	33.38
Total	283.82	277.71

Note 20 - Finance cost

(Rs. In lacs)

Particulars	For the period ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Interest costs on Borrowings	64.47	19.64
Interest cost on lease liabilities	20.62	-
Total	85.09	19.64

Note 21 - Depreciation and amortisation expense

(Rs. In lacs)

Particulars	For the period ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Depreciation of Property, Plant and Equipment	39.96	40.07
(a) Amortisation of intangible assets	-	-
Depreciation of Right of use property	69.10	-
Total	109.06	40.07



Gravita Mozambique LDA
Notes forming part of the financial statements

Note 22 - Other expenses

(Rs. In lacs)

Particulars	For the period ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Power and fuel	58.30	35.54
Rates and taxes	12.31	15.27
Legal and professional	17.23	5.00
-Plant & machinery	109.95	90.77
-Buildings	183.58	6.83
-Others	15.22	11.22
Freight and forwarding	331.89	315.21
Travelling and conveyance	41.75	69.74
Insurance	1.77	2.39
Rent	9.16	113.83
Advertising and sales promotion	1.47	1.45
Communication	4.24	7.28
Printing and stationery	1.07	0.84
Donations and contributions	0.01	0.12
Payment to auditors	14.63	3.74
Written off/provision for doubtful trade receivables, loans and advances	0.17	-
Loss on property plant and equipment discarded/scrap/written off	-	0.38
Bank charges	13.68	12.95
Vehicle hire expenses	0.03	0.06
Vehicle running expenses	12.46	15.16
Miscellaneous expenses	20.43	35.24
Total	849.35	743.02

Note 23 - Tax expense

(Rs. In lacs)

Particulars	For the period ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
Current Tax		
Current tax expense	161.77	107.80
Total	161.77	107.80

