



Independent Auditor's Report

**TO THE MEMBERS OF Gravita Nicaragua SA
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Gravita Nicaragua SA** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in Nicaragua, including the specified Accounting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit or loss for the year ended on that date

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

Deepak Kumar Swarnkar
(Proprietor)
M. No:-424940



Date: 08/05/2019
Place: Jaipur

Gravita Nicaragua SA
BALANCE SHEET AS AT 31st MARCH 2019

Amount in NIO

Particulars	Note	As at Mar 31, 2019	As at March 31, 2018
I. ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	1	34,922,823	30,897,684
(b) Capital work-in-progress	2	13,659,354	-
(c) Financial Assets			
(i) Loans	7(a)	1,301,121	737,424
2 Current assets			
(a) Inventories	5	16,384,941	8,000,980
(b) Financial Assets			
(i) Loans	7(b)	-	185,060
(ii) Trade receivables	3	8,393,385	6,367,496
(iii) Cash and cash equivalents	6(a)	1,374,238	3,549,508
(iv) Bank balances other than (iv) above	6(b)	325,905	-
(d) Other current assets	4	767,227	5,087,817
Total Assets		77,128,993	54,825,969
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity : Share capital	8	18,049,315	16,251,028
(b) Other equity	9	(8,223,496)	(5,030,173)
2 Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	44,013,420	28,689,943
(b) Provisions	12(a)	55,052	98,153
3 Current liabilities			
(a) Financial Liabilities			
(ii) Trade payables	14	19,424,936	2,606,802
(iii) Other financial liabilities	11	667,791	-
(b) Other current liabilities	13	3,141,975	8,102,071
(c) Provisions	12(b)	-	4,108,145
Total Equity and Liabilities		77,128,993	54,825,969

See accompanying notes to the financial statements

1 to 23

For Swarnkar & Co.
Chartered Accountant
FRN 025928C

Deepak Kumar Swarnkar
Proprietor
M No 424940

Place: Jaipur
Date: 08/05/2019

For and on behalf of the Board of Directors

Vijendra Singh Tanwar
(Director)

Gravita Nicaragua SA
Statement of profit and loss For the period ended Mar 31, 2019


Particulars	Note	Amount in NIO	
		For the year ended Mar 31, 2019	For the year ended March 31, 2018
I Revenue from operations	15	127,097,947	141,150,064
II Other income	16	9,357	174,930
III Total income (I + II)		127,107,304	141,324,994
IV Expenses:			
(a) Cost of materials consumed	17	10,980,527	40,859,370
(b) Purchases of Stock-in-trade	18	73,957,724	40,202,054
(c) Changes in inventories of finished goods, Stock-in-trade and work-in-prog	19	(6,292,021)	(2,439,354)
(d) Employee benefits expense	20	15,394,533	15,862,461
(e) Finance costs	21	855,934	805,706
(f) Depreciation and amortisation expense	22	8,106,146	5,939,564
(g) Other expenses	23	27,297,783	35,975,199
Total expenses (IV)		130,300,626	137,205,001
V Share of profit of associates			
VI Profit before tax (III - IV + V)		(3,193,323)	4,119,993
VI Tax expense:			
(a) Current tax		-	-
Excess provision for tax relating to earlier years written back		-	-
(b) Deferred tax charge		-	-
		-	-
VIII Profit for the year (VI - VII)		(3,193,323)	4,119,993


See accompanying notes to the financial statements

1 to 23

For Swarnkar & Co.
Chartered Accountant
FRN 025928C

For and on behalf of the Board of Directors


Deepak Kumar Swarnkar
Proprietor
M No 424940


Vijendra Singh Tanwar
(Director)

Place: Jaipur
Date: 08/05/2019

Gravita Nicaragua SA
Notes forming part of the financial statements

Note 1 - 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	Amount in NIO Total
Cost							
As at March 31, 2017	1,071,822.50	4,896,929.27	104,916.16	76,094.80	115,574.29	1,761,397.08	8,026,734.10
Additions during the year	79,115.00	30,825,896.62	216,214.67	15,450.28	153,998.02	706,677.30	31,997,351.89
Disposals/ Adjustments	-	-2,060,252.79	-1,262.56	-	-	-	-2,061,515.35
As at March 31, 2018	1,150,937.50	33,662,573.10	319,868.27	91,545.08	269,572.31	2,468,074.38	37,962,570.64
Additions during the year	-	11,399,484.38	47,430.16	11,211.88	5,499.00	808,330.17	12,271,955.59
Disposals/ Adjustments	-	-406,553.25	-17,596.46	-25,940.00	-58,739.98	-193,373.48	-702,203.17
As at Mar 31, 2019	1,150,937.50	44,655,504.23	349,701.97	76,816.96	216,331.33	3,083,031.07	49,532,323.06
Depreciation							
As at March 31, 2017	-	1,059,505.43	17,565.86	28,056.07	24,722.96	235,479.80	1,365,330.10
Charge for the year	6,341.93	5,547,287.43	37,218.07	30,996.09	35,568.88	282,151.49	5,939,563.89
Deletions	-	-239,145.05	-862.68	-	-	-	-240,007.73
As at March 31, 2018	6,341.93	6,367,647.81	53,921.25	59,052.16	60,291.84	517,631.29	7,064,886.26
Charge for the year	7,911.50	7,525,222.90	69,666.14	30,354.01	59,135.88	413,855.85	8,106,146.28
Deletions	-	-367,951.09	-5,152.33	-25,940.00	-37,061.28	-125,427.87	-561,532.57
As at Mar 31, 2019	14,253.43	13,524,919.62	118,435.06	63,466.17	82,366.44	806,059.27	14,609,499.97
Net block							
As at Mar 31, 2019	1,136,684.07	31,130,584.61	231,266.92	13,350.79	133,964.89	2,276,971.80	34,922,823.08
As at March 31, 2018	1,144,595.57	27,294,925.29	265,947.03	32,492.92	209,280.47	1,950,443.09	30,897,684.37
As at March 31, 2017	1,071,822.50	3,837,423.84	87,350.31	48,038.73	90,851.33	1,525,917.28	6,661,403.99

Gravita Nicaragua SA
Notes forming part of the financial statements

Note 2 - Capital work-in-progress

Particulars	Amount in NIO	
	As at Mar 31, 2019	As at March 31, 2018
Opening balance of CWIP	-	-
Add: additions made during the year	13,659,353.87	-
Less: Capitalised during the year	-	-
Add/(Less): Translation difference	-	-
Closing balance as on reporting date	13,659,353.87	-
Capital work-in-progress	13,659,353.87	-
Total	13,659,353.87	-



Gravita Nicaragua SA
Notes forming part of the financial statements

Note 3 - Trade receivables

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
Unsecured, considered good	8,393,385	6,367,496
	8,393,385	6,367,496

Note 4 - Other assets

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
(a) Current		
Advances to related parties	65,616	-
Advances to vendors	561,856	5,087,317
Advances to employees	139,755	500
Total (b)	767,227	5,087,817

Note 5 - Inventories *

(At lower of cost and net realisable value)

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
(a) Raw materials and bought out components		
Raw materials	1,701,606	2,262,217
Goods-in-transit	2,699,133	
(b) Work-in-progress	1,246,515	1,453,319
(c) Finished goods (other than those acquired for trading)	8,407,243	2,851,842
Goods-in-transit	591,960	
(d) Stock-in-trade (in respect of goods acquired for trading)	351,464	-
(e) Stores and spares	1,213,399	1,404,346
(f) Consumables	173,620	29,256
	16,384,941	8,000,980
	16,384,941	8,000,980

Note 6 - Cash and cash equivalents

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
(a) Cash and cash equivalents		
Balances with banks		
-on current accounts	1,240,740	3,449,834
Cash on hand	133,498	99,675
Total (a)	1,374,238	3,549,508
(b) Bank balances Other than (a) above		
Balances held as margin money against borrowings	325,905	-
Total (b)	325,905	-

Note 7 - Loans

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
(a) Non current, Unsecured, considered good		
(i) Security deposits	1,301,121	737,424
Total (a)	1,301,121	737,424
(b) Current, Unsecured, considered good		
(i) Security deposits	-	185,060
Total (b)	-	185,060

Note 8 - Equity share capital

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
Authorised		
214000 Equity shares of Nio 100 each	21,400,000	21,400,000
(a) Issued, subscribed and fully paid up	21,400,000	21,400,000
180493.20 Equity shares of NIO 100 each	18,049,315	16,251,028
Total	18,049,315	16,251,028

Note 9 - Other Equity

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
Opening balance		
1. Profit for the year	(5,030,173)	(9,150,167)
Total comprehensive income for the year	(3,193,323)	4,119,993
Closing balance	(8,223,496)	(5,030,173)

Note 10 - Non - current financial liabilities - Borrowings (at amortised cost) #

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
Secured		
(a) Term loan		
-From related party	44,013,420	28,689,943
Total	44,013,420	28,689,943

Note 11 - Other financial liabilities

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
(a) Current		
- Payable for purchase of fixed assets	667,791	-
Total	667,791	-

Note 12 - Provisions

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
(a) Long - term		
Provision for compensated absences	55,052	98,153
	55,052	98,153
(b) Other than Long term		
Provision for Admin Exps	-	3,923,831
Provision for Shipping Charges & DO Charges	-	184,314
	-	4,108,145

Note 13 - Other Liabilities

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
(a) Current		
Advance received from customers	900,376	-
Advance received from Customer-related party	2,134,437	8,102,071
-Statutory remittances*	107,163	-
	3,141,975	8,102,071

Note 14 - Trade payables

Particulars	(Amount in NIO)	
	As at Mar 31, 2019	As at March 31, 2018
Outstanding dues to parties other than Micro and Small enterprises	19,424,936	2,606,802

Note 15 - Revenue from operations

Particulars	(Amount in NIO)	
	For the period ended Mar 31, 2019	For the year ended March 31, 2018
(a) Sale of products (including excise duty)		
Manufactured goods	-	74,272,781
Traded goods	82,672,428	66,877,283
	44,425,519	
Revenue from operations	127,097,947	141,150,064

Note 16 - Other income

(Amount in NIO)

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
On bank deposits (at amortised cost)	9,357	-
(a) Other gains and losses		
Gain on disposal of property, plant and equipment (net)	-	174,930
Total	9,357	174,930

Note 17 - Cost of material consumed

(Amount in NIO)

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
Raw materials and bought out components consumed	10,980,527	40,859,370
	10,980,527	40,859,370

Note 18 - Purchase of stock-in-trade

(Amount in NIO)

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
Others	73,957,724.18	40,202,054
	73,957,724	40,202,054

Note 19 - Changes in inventory of finished goods, work-in-progress and stock-in-trade

(Amount in NIO)

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
Opening stock		
Finished goods	2,851,842	1,157,569
Work-in-progress	1,453,319	
Stock-in-trade	-	708,238
Less: Closing stock		
Finished goods	8,999,203	2,851,842
Work-in-progress	1,246,515	1,453,319
Stock-in-trade	351,464	
Net increase/ (decrease) in inventory of finished goods, work-in-progress and stock-in-trade	(6,292,021)	(2,439,354)

Note 20 - Employee benefits expense**(Amount in NIO)**

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
(i) Salaries and wages	15,061,105	15,196,280
(ii) Staff welfare expenses	333,427	666,181
	15,394,533	15,862,461

Note 21 - Finance cost**(Amount in NIO)**

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
(a) Interest costs on - Borrowings	855,934	805,706
	855,934	805,706

Note 22 - Depreciation and amortisation expense**(Amount in NIO)**

Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
(a) Depreciation of Property, Plant and Equipment	8,106,146	5,939,564
	8,106,146	5,939,564

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Note 23 - Other expenses

(Amount in NIO)


Particulars	For the period ended	For the year ended
	Mar 31, 2019	March 31, 2018
Power and fuel	5,607,950	3,539,543
Rates and taxes	7,085	-
Legal and professional	389,776	199,787
-Plant & machinery	5,014,104	4,055,082
-Buildings	19,594	40,597
-Others	748,061	796,781
Freight and forwarding	5,749,462	9,929,175
Travelling and conveyance	1,391,307	1,866,803
Insurance	32,922	73,206
Rent	4,930,531	3,711,738
Sales commission	12,772	-
Advertising and sales promotion	50,456	95,051
Communication	290,767	250,542
Training and recruitment	-	1,000
Printing and stationery	60,721	91,234
Donations and contributions	-	5,000
Written off/provision for doubtful trade receivables, loans and advances	-	3,099,918
Net loss on foreign currency transactions and translation	21,165	1,451,205
Loss on property plant and equipment discarded/scrap/written off	42,001	9,748
Bank charges	397,231	365,025
Vehicle hire expenses	852,215	3,755,413
Vehicle running expenses	161,594	-
Miscellaneous expenses	1,518,069	2,638,352
	27,297,783	35,975,199

See accompanying notes to the financial statements

For Swarnkar & Co.
Chartered Accountant
FRN 025928C


Deepak Kumar Swarnkar
Proprietor
M No 424940

For and on behalf of the Board of Directors


Vijendra Singh Tanwar
(Director)

Place: Jaipur
Date: 08/05/2019