



**R Sogani & Associates**  
Chartered Accountants

“Shree Dham”  
R-20, Yudhishter Marg, ‘C’-Scheme, Jaipur - 302005  
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**Independent Auditor’s Report on FFC Accounts**  
**Prepared for Consolidation Purposes**

**From:** R Sogani & Associates

**Date:** 10 MAY 2017

**Subject:** Component Audit of Gravita Infotech for the Year Ended 31<sup>st</sup> March, 2017

**To:** Deloitte Haskins & Sells, Gurgaon, India

In accordance with the instructions in your email dated 30<sup>th</sup> November 2016 we have audited, for purpose of your audit of the consolidated financial statements of Gravita India Limited, the accompanying balance sheet of Gravita Infotech as at 31<sup>st</sup> March 2017, Profit and loss account 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).

**Management’s Responsibility for the FFC Accounts**

Management is responsible for the preparation and presentation of this FFC Accounts in accordance with accounting principles 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 Responsibility**

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





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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.

### **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 Infotech as of 31<sup>st</sup> March, 2017 and for the year then ended has been prepared, in all material respects, in accordance with the accounting principles generally accepted in India.

### **Restriction on Use and Distribution**

This FFC Accounts has been prepared for purposes of providing information to **Gravita India Limited** to enable it to prepare the consolidated financial statements of the group. As a result, the FFC Accounts is not a complete set of financial statements of Gravita Infotech 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 Infotech as of 31<sup>st</sup> March, 2017, and of its financial performance, and its cash flows for the year then ended in accordance with the accounting principles generally accepted in India. The financial information may, therefore, not be suitable for another purpose.

Place : JAIPUR

Date :

10 MAY 2017

**For R Sogani & Associates**  
**Chartered Accountants**  
**(FRN.: 018755C)**

**(BHARAT SONKHIYA)**  
**PARTNER**

**Membership No: 403023**

**GRAVITA INFOTECH**  
(Earlier Known as Gravita Technomech )  
REGISTRATION No. 13/314/2011  
303, Rajputana Tower, A-27-B, Shanti Path, Tilak Nagar, Jaipur - 302001 (Ra)  
BALANCE SHEET AS AT 31-Mar-2017

(Amount in INR)

Particulars	Notes	As at 31-Mar-17	As at 31-Mar-16
<b>I EQUITY AND LIABILITIES</b>			
(1) Capital	1		
Partner's Fixed Capital		200,000	200,000
Partner's Current Capital		1,473,339	5,680,330
		<b>1,673,339</b>	<b>5,880,330</b>
(3) Current Liabilities			
(a) Trade Payables	2	3,450	9,992
		<b>3,450</b>	<b>9,992</b>
<b>TOTAL</b>		<b>1,676,789</b>	<b>5,890,322</b>
<b>II ASSETS</b>			
(1) Non Current Assets			
(a) Fixed Assets	3		
(i) Tangible Assets		1,429,967	2,316,796
(b) Long Term Loans and Advances	4	21,869	3,157,079
<b>TOTAL (A)</b>		<b>1,451,836</b>	<b>5,473,875</b>
(2) Current assets			
(a) Trade Receivables	5	-	40,000
(b) Cash and Bank Balances	6	75,561	234,367
(c) Short Term Loans and Advances	7	149,392	142,080
<b>TOTAL (B)</b>		<b>224,953</b>	<b>416,447</b>
<b>TOTAL (A+B)</b>		<b>1,676,789</b>	<b>5,890,322</b>

Significant Accounting Policies and  
Notes to Financial Statements

A  
1 - 15

For R Sogani & Associates  
Chartered Accountants  
Firm Reg. No.: 018755C

  
Bharat Sonkhiya  
Partner  
M. No:- 403023

Place: Jaipur



Date: **10 MAY 2017**

In confirmation of Facts  
Gravita Infotech  
(Formerly known as Gravita Technomech)

  
Rajat Agarwal  
(DIN:- 00855284)

(Managing Director of Partner company Gravita India

Limited and Director of Gravita Infotech Limited)

GRAVITA INFOTECH (Earlier Known as Gravita Technomech ) REGISTRATION No. 13/314/2011 303, Rajputana Tower, A-27-B, Shanti Path, Tilak Nagar, Jaipur - 302001 (Raj.) Profit and Loss account for the Period 1st April, 2016 to 31st March, 2017 (Amount in INR)			
PARTICULARS	Notes No.	For the year ended 31- March-2017	For the year ended 31- Mar-2016
<b>INCOME</b>			
Revenue from Operations	8		1,615,066
Other Income	9	8,006	43,340
<b>TOTAL (I)</b>		<b>8,006</b>	<b>1,658,406</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	10	-	100
Purchase of Softwares	11	-	1,288,761
Change in Inventory of Finished Goods, WIP & Stock In Trade	12	-	427,591
Employee Benefit Expenses	13	3,011	75,160
Finance Cost	14	3,032	8,658
Depreciation and Amortization Expenses	3	662,984	651,613
Other Expense	15	17,278	103,441
<b>Total (II)</b>		<b>686,305</b>	<b>2,555,324</b>
<b>Profit Before Exceptional, Extraordinary Items &amp; Tax (I-II)</b>		<b>(678,299)</b>	<b>(896,918)</b>
Add: Prior period incomes		-	-
<b>Profit Before Extraordinary Items &amp; Tax</b>		<b>(678,299)</b>	<b>(896,918)</b>
Add/ (Less): Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>(678,299)</b>	<b>(896,918)</b>
<b>Less: Tax expense</b>			
Prior Period Tax		-	-
Earlier Year Tax (MAT Credit)		3,124,482	-
<b>Profit / (Loss) for the Period</b>		<b>(3,802,781)</b>	<b>(896,918)</b>
<b>Net Surplus</b>		<b>(3,802,781)</b>	<b>(896,918)</b>
<b>Profits Transferred to Partners:</b>			
Gravita India Ltd		(1,863,363)	(439,490)
Gravita Infotech Limited		(1,939,418)	(457,428)
Rajat Agarwal		-	-
Significant Accounting Policies and Notes to Financial Statements		A 1 - 15	
For R Sogani & Associates Chartered Accountants Firm Reg. No:- 018755C  Bharat Sonkhiya Partner M, No:- 403023 Place: Jaipur Date: 10 MAY 2017		In confirmation of Facts Gravita Infotech (Formerly known as Gravita Technomech)  Rajat Agarwal (DIN:- 00855287) (Managing Director of Partner company Gravita India Limited and Director of Gravita Infotech Limited)	

## GRAVITA INFOTECH

(Former Known as Gravita Techno-mech)

REGISTRATION No. 13/314/2011

303, Rajputana Tower, A-27-B, Shanti Path, Tilak Nagar, Jaipur - 302011 (Raj.)

Notes to Financial Statements for the period ended 31st March 2017

	As at 31-March-2017	As at 31-Mar-2016
<b>Note No.1</b>		
<b>Partner's Capital</b>		
<b>a) Fixed Capital</b>		
Gravita Infotech Limited	102,000	102,000
Gravita India Limited	98,000	98,000
	<b>200,000</b>	<b>200,000</b>
<b>B) Current Capital</b>		
Gravita India Limited	2,179,366	4,648,468
Gravita Infotech Limited	(706,027)	1,031,862
	<b>1,473,339</b>	<b>5,680,330</b>
<b>b) Reserves and Surplus</b>		
Opening Balance (Foreign Currency Monetary Items Translation Reserve )	-	-
Surplus (including General Reserve)	(3,802,781)	(896,918)
Less : Transferred to Partners	3,802,781	896,918
	-	-
<b>Note No.2</b>		
<b>Trade Paybles</b>		
Trade payable	3,450	9,992
	<b>3,450</b>	<b>9,992</b>
<b>Note No. 4</b>		
<b>Long Term Loans &amp; Advances</b>		
MAT credit entitlement	-	3,124,482
Income tax Recievable AY 13-14	-	480
Income tax Recievable AY 15-16	21,869	32,117
	<b>21,869</b>	<b>3,157,079</b>
<b>Note No. 5</b>		
<b>Trade Receivable</b>		
<b>More than six month</b>		
- Secured (Considered good)	-	-
- Unsecured (considered good)	-	-
- Doubtful	-	-
<b>Others</b>		
- Secured (Considered good)	-	-
- Unsecured (considered good)	-	40,000
- Doubtful	-	-
	-	<b>40,000</b>



<u>Note No. 6</u>			
Cash & Bank Balances			
Balances with banks:			
	On current accounts	25,604	19,810
Cash balance		50,557	41,557
		75,561	234,367
<u>Note No. 7</u>			
Short Term Loans & Advances			
Duties & taxes		137,659	142,080
TDS Receivable		11,733	-
		149,392	142,080
		For the year ended 31-Mar-2017	For the year ended 31-Mar-2016
<u>Note No. 8</u>			
<u>Revenues from Operations</u>			
Sale of Services		-	1,615,066
		-	1,615,066
<u>Note No. 9</u>			
<u>Other Income</u>			
Interest Income		-	43,714
Misc Balance Write Off		8,006	(374)
		8,006	43,340
<u>Note No. 10</u>			
<u>Cost of Raw Material Consumed</u>			
Opening Stock		-	-
Add: Purchase		-	-
Add: Direct Expenses		-	100
Less: Closing Stock		-	-
		-	100
<u>Note No. 11</u>			
<u>Purchase of Softwares</u>			
Domestic		-	1,288,761
		-	1,288,761
<u>Note No. 12</u>			
<u>Change in Inventory of finished goods, WIP &amp; Stock In Trade</u>			
Closing stock WIP		-	-
	(A)	-	-
Less :Opening Stock		-	427,591
Stock in Trade		-	-
	(B)	-	427,591
Changes in Inventories (A) - (B)		-	(427,591)



Note No. 13

Employee Cost

Contribution to Provident and Other Fund  
Leave Encashment Expenses  
Bonus  
Ex-Gratia-Staff

	3,011	75,160
	3,011	75,160

Note No. 14

Finance Cost

Interest Expenses  
Bank Charges

	2,687	4,408
	345	4,160
	3,032	8,658

Note No. 15

Others Expenses

Travelling and Conveyance Expenses  
Telephone & Communication Expenses  
Selling & Distribution Expenses  
Webhosting Exp.  
Legal and Professional Expense  
Office Expenses  
Payment to Auditor  
Business Promotion  
Net Loss on sale of Fixed Assets

	-	3,349
	-	1,286
	-	15,944
	-	2,273
	-	562
	-	29,162
	4,476	3,420
	10,000	-
	2,802	47,445
	17,278	103,441

For R Sogani & Associates  
Chartered Accountants  
Firm Reg. No.: D18755C

Bharat Sonkhiya  
Partner  
M, No:- 403023

Place: Jaipur

Date:

13 0 MAY 2017

In confirmation of Facts  
Gravita Infotech  
(Formerly known as



Rajat Agarwal,

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

GRAVITA INFOTECH

(Earlier known as Gravita Technomech )

REGISTRATION No. 13/314/2011

303, Rajputana Tower, A-27-B, Shanti Path, Tilak Nagar, Jaipur - 302001 (Raj.)

Financial Year: 2016-17

Note No. 3

S.No	Particular	Life	Gross Block				Depreciation				Net Block	
			Opening As at 01-Apr-2016	Addition	Deletion	Closing As at 31-Mar-2017	Opening As at 01-Apr-2016	Addition	Deletion	Closing As at 31-Mar-2017	Closing WDV As at 31-Mar-2017	Opening WDV As at 31-Mar-2016
1	Furniture & Fixtures	10.00	850,661	-	110,538	740,143	44,371	76,526	28,100	92,797	647,346	806,210
2	Electronic Equipments	10.00	264,000	-	-	264,000	28,103	25,148	-	53,251	210,749	258,897
3	Computers & Printers	3.00	1,870,000	-	299,200	1,570,800	595,411	561,310	157,793	988,928	574,872	1,270,889
	TOTAL		2,984,661	-	409,738	2,574,943	667,885	662,984	185,893	1,144,976	1,429,967	2,316,796





**A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:-**

**1. Accounting Conventions**

**Nature of Business:-**

The Firm is engaged in the business of information Technology, Software, Web & mobile applications and all other Information technology related services.

**(i) Basis of Accounting**

The financial statements are prepared under the historical cost convention on accrual basis and are generally in accordance with the requirements of the Partnership act 1932. The accounting policies are consistent with generally accepted accounting principles.

**(ii) Revenue Recognition**

The Firm follows the mercantile system of accounting and recognizes income and expenditure on accrual basis as a going concern.

**(iii) Fixed assets (Tangible)**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately under other current assets.

**(iv) Capital work-in-progress:**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

**(V) Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on fixed assets has been provided on the straight-line method as per the useful life except on the following categories of assets:

- (i) Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.
- (ii) Leasehold land and leasehold improvements are amortised over the primary period of lease.
- (iii) Intangible assets are amortised over their useful life of 5 years.

**(vi) Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

**(vii) Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**(viii) Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.



(ix) Provisions and contingencies

A provision is recognised when the Firm has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

## 2. Auditor's Remuneration

Statutory Audit Fee Rs. 3,450

As per our attached report of even date  
For R Sogani & Associates  
Chartered Accountants  
Firm Reg. No.: 018755C

  
Bharat Sonkhiya  
Partner  
M. No:- 403023  
Place: Jaipur  
Date: 10 MAY 2017

For and on behalf of Gravita Infotech  
(formerly known as Gravita Technomech)

  
Rajat Agarwal  
(DIN- 00855284)

(Managing Director of partner company Gravita  
India Ltd and Director of Gravita Infotech  
Ltd.)

