

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>Non - current assets</b>			
Property, Plant and Equipment	2	206.09	197.88
Capital work-in-progress	3	60.96	-
Right of Use Assets	4	-	-
Financial Assets			
Loans	5	11.28	14.23
Other non current assets	6	348.44	303.82
<b>Total non-current assets</b>		<b>626.77</b>	<b>515.93</b>
<b>Current assets</b>			
Inventories	7	623.28	469.68
Financial Assets			
Loans	5	100.00	-
Trade receivables	8	266.50	562.85
Cash and cash equivalents	9	3.08	2.65
Bank balances other than above	10	316.39	299.01
Current Tax Assets (Net)		65.96	21.03
Other current assets	6	406.78	496.05
<b>Total current assets</b>		<b>1,781.99</b>	<b>1,851.27</b>
<b>TOTAL ASSETS</b>		<b>2,408.76</b>	<b>2,367.20</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Partner's capital	11	658.72	759.03
<b>Total equity</b>		<b>658.72</b>	<b>759.03</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	12	10.20	14.76
Provisions	13	6.00	3.75
Deferred tax liabilities (net)	14	76.00	12.55
<b>Total non-current liabilities</b>		<b>92.20</b>	<b>31.06</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	12	991.64	863.43
Trade payables	15	596.90	705.59
Other financial liabilities	16	5.00	4.91
Other current liabilities	17	1.58	2.70
Provisions	13	0.55	0.48
Current tax liabilities (net)		62.17	-
<b>Total current liabilities</b>		<b>1,657.84</b>	<b>1,577.11</b>
<b>Total liabilities</b>		<b>1,750.04</b>	<b>1,608.17</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,408.76</b>	<b>2,367.20</b>

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

In terms of our report attached.  
For R Sogani & Associates  
Chartered Accountants  
Firm's Registration No.: 018755C

Bharat Sonkhiya  
Partner  
Membership No: 403023



Place: Jaipur  
Date: 25 JUN 2020

In confirmation of the facts  
For Gravita Metal Inc.

Rajat Agrawal  
DIN: 00855284  
Managing Director of partner company Gravita India Limited and Gravita Infotech Limited



Place: Jaipur

Date: 25 JUN 2020



Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>I Income</b>			
Revenue from operations	18	8,314.58	7,828.62
Other income	19	24.83	12.32
<b>Total income (I)</b>		<b>8,339.41</b>	<b>7,840.93</b>
<b>II Expenses</b>			
Cost of materials consumed	20	7,725.99	6,701.85
Purchases of Traded goods	21	3.40	-
Changes in inventories of finished goods, work-in-progress and traded	22	(21.01)	368.77
Employee benefits expense	23	169.44	156.41
Finance costs	24	89.52	112.63
Depreciation and amortisation expense	25	26.70	23.17
Other expenses	26	122.54	153.90
<b>Total expenses (II)</b>		<b>8,116.58</b>	<b>7,516.74</b>
<b>III Profit before tax (I - II)</b>		<b>222.83</b>	<b>324.21</b>
<b>IV Tax expense</b>	27		
Current tax		78.85	115.30
Deferred tax charge		63.64	(4.67)
<b>Total tax expense</b>		<b>142.49</b>	<b>110.63</b>
<b>V Profit for the year (III - IV)</b>		<b>80.34</b>	<b>213.58</b>
<b>VI Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities		(0.53)	0.46
Income tax on above items		0.19	(0.16)
<b>Total other comprehensive income, net of tax</b>		<b>(0.34)</b>	<b>0.30</b>
<b>VII Total comprehensive income for the year (V + VI)</b>		<b>80.00</b>	<b>213.87</b>

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

In terms of our report attached.  
 For R Sogani & Associates  
 Chartered Accountants  
 Firm's Registration No.: 018755C

Bharat Sonkhiya  
 Partner  
 Membership No: 403023



Place: Jaipur  
 Date: 25 JUN 2020

In confirmation of the facts  
 For Gravita Metal Inc.



*Rajat Agrawal*  
 Rajat Agrawal  
 DIN: 00855284

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

Place: Jaipur  
 Date: 25 JUN 2020



**Note 1** General information statement of compliance with Ind AS, basis of preparation and summary of 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 with Ind AS

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") read with the Companies (Indian Accounting Standards) Rules, 2015, relevant amendment rules issued there after and other relevant provisions of the Act, as applicable.

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

**Note 1.3- Significant Accounting Policies**

#### 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  
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or  
Level 3 inputs are unobservable inputs for the asset or liability.

#### Revenue recognition

To determine whether to recognise revenue, the Company follows a 5-step process:

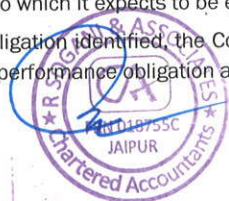
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

**Sale of products (including scrap sales):** Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Sales, as disclosed, are exclusive of goods and services tax. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.





**Other income:** Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the entity 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 accumulated impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP. Cost of acquisition or construction is inclusive of freight, duties, relevant taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets. All repair and maintenance costs are recognised in profit or loss as incurred. Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Firm recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

### IV. A. Depreciation / amortisation

i. The firm is following the straight line method of depreciation in respect of Property, plant and equipment.

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 Firm 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

## VI Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

(a) Raw materials and stores & spares - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

(b) Stock in trade, Stock in process and finished goods- Direct cost plus appropriate share of overheads, wherever applicable

(c) By products - At estimated realisable value Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 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.

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).





**IX Leases**

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method.

Firm does not have any lease which required to be recognised as right of use assets and corresponding lease liabilities, except one leasehold land amounting to Rs. 1.61 lacs as on March 31, 2019, which was classified as prepaid land under the head other assets and this has been reclassified under head right-of-use assets as on April 1, 2019 as per Ind AS 116.

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land, buildings and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The Company at the commencement of the lease contract recognizes a right-of-use asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, if any. The right-of-use asset are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

**X Income taxes**

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Firm has a legally enforceable right for such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income.

**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.



Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

**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 Firm has reviewed the carrying amount of deferred tax assets 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.



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Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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

Note 2 - Property, plant and equipment

Particulars	Buildings	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
As at April 1, 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 March 31, 2019	66.11	160.76	1.23	0.55	0.32	27.13	256.12
Additions during the Period	-	38.15	0.43	-	0.42	-	39.00
Disposals/ Adjustments	-	(16.28)	-	(0.14)	-	-	(16.42)
As at March 31, 2020	66.11	182.63	1.66	0.41	0.74	27.13	278.70
Accumulated depreciation							
As at April 1, 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 March 31, 2019	8.76	46.19	0.42	0.20	0.15	2.52	58.24
Charge for the Period	2.92	18.44	0.27	0.16	0.07	3.23	25.09
Deletions	-	(10.61)	-	(0.12)	-	-	(10.73)
As at March 31, 2020	11.68	54.03	0.69	0.24	0.22	5.75	72.60
Net carrying value							
As at March 31, 2020	54.43	128.61	0.97	0.17	0.53	21.38	206.09
As at March 31, 2019	57.35	114.57	0.81	0.35	0.17	24.61	197.88





Gravita Metal Inc.  
25, SIPCOP, IND, Area, Kathua (J&K)



Summary of the significant accounting policies and other explanatory information  
For the year ended March 31, 2020  
(All amounts in Rs. lacs, unless otherwise stated)

**Note 3 - Capital work-in-progress**

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	-	22.30
Net movement during the year	60.96	(22.30)
At the end of the year	60.96	-

**Note 4 - Right-of-use assets**

Particulars	Land*	Total
<b>Gross carrying amount</b>		
Additions	1.61	1.61
Disposals/ adjustments	-	-
<b>As at March 31, 2020</b>	<b>1.61</b>	<b>1.61</b>
<b>Accumulated depreciation</b>		
At March 31, 2019	-	-
Charge for the year	1.61	1.61
Disposals/ adjustments	-	-
<b>As at March 31, 2020</b>	<b>1.61</b>	<b>1.61</b>
<b>Net carrying value</b>		
As at March 31, 2019	-	-
As at March 31, 2020	-	-

\*Land includes leasehold land amounting to Rs. 1.61 lacs as on March 31, 2019, which was classified as prepaid land under the head other assets and this has been reclassified under head right-of-use assets as on April 1, 2019 as per Ind AS 116.



Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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



**Note 5 - Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good Non-current Security deposits	11.28	14.23
<b>Total</b>	<b>11.28</b>	<b>14.23</b>
Unsecured, considered good Current Loans given to others	100.00	-
<b>Total</b>	<b>100.00</b>	<b>-</b>

**Note 6 - Other assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good Non-current Balance with government authorities	348.44	303.82
<b>Total</b>	<b>348.44</b>	<b>303.82</b>
Unsecured, considered good Current Advances to vendors Advances to employees Prepaid expenses Prepaid lease (leasehold land) Balance with government authorities	80.97 2.69 3.22 - 319.90	171.07 2.92 3.00 1.61 317.45
<b>Total</b>	<b>406.78</b>	<b>496.05</b>

**Note 7 - Inventories \***

(At lower of cost and net realisable value)

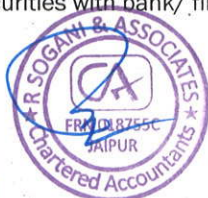
Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	329.02	189.47
Work-in-progress	233.30	197.85
Finished goods	31.31	45.75
Stores and spares	14.85	14.23
Consumables	14.80	22.38
<b>Total</b>	<b>623.28</b>	<b>469.68</b>

\* Refer note 12 for hypothecation as securities with bank/ financial institutions on inventories.

**Note 8 - Trade receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Trade receivables - considered good Trade receivables - credit impaired Less: allowance for expected credit losses	- 266.50 - -	- 562.85 - -
<b>Total</b>	<b>266.50</b>	<b>562.85</b>

\* Refer note 12 for hypothecation as securities with bank/ financial institutions on trade receivables.





**Note 9 – Cash and cash equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts	2.19	0.98
Cash on hand	0.89	1.67
<b>Total</b>	<b>3.08</b>	<b>2.65</b>

**Note 10 - Bank balances Other than cash and cash equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits	316.39	299.01
<b>Total</b>	<b>316.39</b>	<b>299.01</b>

**Note 11 - Partner's Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Fixed Capital</b>		
Gravita India Limited	95.00	95.00
Gravita Infotech Limited	5.00	5.00
<b>Current Capital</b>		
Gravita India Limited	438.80	654.17
Gravita Infotech Limited	119.92	4.86
<b>Total</b>	<b>658.72</b>	<b>759.03</b>

**Note 12 - Borrowings<sup>(1)</sup>**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current borrowings<sup>(2)</sup></b>		
<b>Secured</b>		
Vehicle loans	15.13	19.67
Less: Current maturities disclosed under other financial liabilities (refer note 16)	4.93	4.91
<b>Total</b>	<b>10.20</b>	<b>14.76</b>
<b>Current borrowings<sup>(3)</sup></b>		
<b>Loans repayable on demand</b>		
<b>From banks (secured)</b>		
Cash credit / overdraft	891.64	863.43
From institutions other than banks (unsecured)	100.00	-
	<b>991.64</b>	<b>863.43</b>

1 There is no default in repayment of principal repayment or interest thereon.

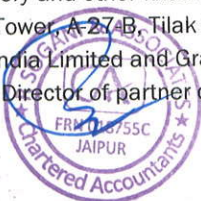
2 Repayment terms and security disclosure for the outstanding non-current borrowings (including current maturities) are as follows:

i. Vehicle loan from banks of Rs. 15.13 lacs (March 31, 2019: Rs. 19.68 lacs) carry interest @ 4.63% p.a. The loans are secured by way of hypothecation of vehicles and repayable in equal monthly installments over a period of 60 months.

3 Security disclosure for the outstanding current borrowings are as follows:

i. Loans repayable on demand from banks are secured by way of:

- Hypothecation of all kinds of stocks of raw material, SFG and FG, consumables, trade receivables of the firm.
- Mortgage of lease hold rights of factory land situated at plot no. 25 & 26, situated at SICOP, Industrial Area, Kathua, (J&K).
- Hypothecation of plant & machinery and other fixed assets of the firm (present & future).
- Mortgage of Flat 102 in Gravita Tower, A-27B, Tilak Nagar, Shanti Path, Jaipur of Gravita Infotech Limited.
- Corporate guarantee of Gravita India Limited and Gravita Infotech Limited.(Partner companies)
- Personal guarantee of Managing Director of partner companies Mr. Rajat Agrawal.



**Note 13 - Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current provisions (refer note 30)		
Provision for gratuity	4.20	2.79
Provision for compensated absences	1.80	0.96
<b>Total</b>	<b>6.00</b>	<b>3.75</b>
Current provisions (refer note 30)		
Provision for gratuity	0.37	0.26
Provision for compensated absences	0.18	0.22
<b>Total</b>	<b>0.55</b>	<b>0.48</b>

**Note 14 - Deferred tax liabilities (net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liability arising on account of:		
Property, plant and equipment and intangible assets	18.70	14.86
Incentive income	63.45	-
<b>Gross deferred tax liabilities</b>	<b>82.15</b>	<b>14.86</b>
Deferred tax asset arising on account of:		
Provision for employee benefits and other liabilities deductible on actual payment	6.15	2.31
<b>Gross deferred tax assets</b>	<b>6.15</b>	<b>2.31</b>
<b>Deferred tax liabilities (net)</b>	<b>76.00</b>	<b>12.55</b>

**Deferred tax movements**

Movement of net deferred tax assets and liabilities for the year ended March 31, 2020 is as follows:

Particulars	Opening balance	(Charge)/ credit in Statement of Profit and loss	(Charge)/ credit in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(14.86)	(3.84)	-	(18.70)
Provision for employee benefits and other liabilities deductible on actual payment	2.31	3.65	0.19	6.15
Incentive income	-	(63.45)	-	(63.45)
<b>Total</b>	<b>(12.55)</b>	<b>(63.64)</b>	<b>0.19</b>	<b>(76.00)</b>

Movement of net deferred tax assets and liabilities for the year ended March 31, 2019 is as follows:

Particulars	Opening balance	(Charge)/ credit in Statement of Profit and loss	(Charge)/ credit in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(19.67)	4.81	-	(14.86)
Provision for employee benefits and other liabilities deductible on actual payment	2.61	(0.14)	(0.16)	2.31
<b>Total</b>	<b>(17.06)</b>	<b>4.67</b>	<b>(0.16)</b>	<b>(12.55)</b>





## Note 15 - Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro and small enterprises <sup>(i)</sup>	7.88	5.57
Total outstanding dues of creditors other than micro and small enterprises	589.02	700.02
<b>Total</b>	<b>596.90</b>	<b>705.59</b>

(i). On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Firm, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED Act, 2006') at the year end are below, This has been relied upon by the auditors.

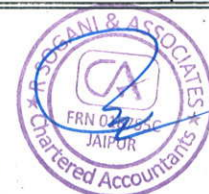
Particulars	As at March 31, 2020	As at March 31, 2019
i Principal amount remaining unpaid to any supplier as at the end of the accounting year	7.88	5.57
ii Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iv The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
v The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

## Note 16 - Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Current maturities of non-current borrowings (refer note 12)	4.93	4.91
Creditors for capital goods	0.07	-
<b>Total</b>	<b>5.00</b>	<b>4.91</b>

## Note 17 - Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance received from customers	1.00	0.64
Statutory remittances	0.58	2.06
<b>Total</b>	<b>1.58</b>	<b>2.70</b>



Note 18 Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products		
Manufactured goods	8,116.30	7,620.95
Traded goods	2.91	1.22
Other operating revenues		
GST incentive (refund)	191.39	199.93
Scrap sales	3.98	6.52
<b>Revenue from operations</b>	<b>8,314.58</b>	<b>7,828.62</b>

i. Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

(a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 by Product type. The Firm believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue by product type:</b>		
Lead	8,119.21	7,622.17
<b>Total</b>	<b>8,119.21</b>	<b>7,622.17</b>
<b>Revenue by geography:</b>		
Domestic	8,119.21	7,622.17
<b>Total</b>	<b>8,119.21</b>	<b>7,622.17</b>
<b>Revenue by time:</b>		
Revenue recognised at point in time	8,119.21	7,622.17
<b>Total</b>	<b>8,119.21</b>	<b>7,622.17</b>

(b) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Particulars	For the year ended March 31, 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year	0.64

(c) Liabilities related to contracts with customers

Particulars	March 31, 2020	March 31, 2019
Advance from customers	1.00	0.64

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

Particulars	For the year ended March 31, 2020
Contract price	8,119.23
Less: discount, rebates, credits etc.	0.02
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>8,119.21</b>





**Note 19 - Other income**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income from:		
- bank deposits (at amortised cost)	22.05	8.21
- others	1.57	4.11
Other non-operating income		
Miscellaneous income	1.21	-
<b>Total</b>	<b>24.83</b>	<b>12.32</b>

**Note 20 - Cost of material consumed**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials consumed	7,725.99	6,701.85
<b>Total</b>	<b>7,725.99</b>	<b>6,701.85</b>

**Note 21 - Purchase of traded goods**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Others	3.40	-
<b>Total</b>	<b>3.40</b>	<b>-</b>

**Note 22 - Changes in inventories of finished goods, work-in-progress and traded goods**

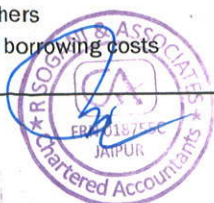
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock		
Finished goods	45.75	186.23
Work-in-progress	197.85	426.14
Less: Closing stock		
Finished goods	31.31	45.75
Work-in-progress	233.30	197.85
<b>Change in inventories of finished goods, work-in-progress and traded goods</b>	<b>(21.01)</b>	<b>368.77</b>

**Note 23 - Employee benefits expense**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	146.95	138.45
Contribution to provident and other funds	8.02	8.97
Staff welfare expenses	14.47	9.00
<b>Total</b>	<b>169.44</b>	<b>156.41</b>

**Note 24 - Finance cost**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest costs on		
- Borrowings	85.59	109.41
- Others	2.30	-
Other borrowing costs	1.63	3.22
<b>Total</b>	<b>89.52</b>	<b>112.63</b>



Gravita Metal Inc.

25, SIPCOP, IND, Area, Kathua (J&K)

Summary of the significant accounting policies and other explanatory information

For the year ended March 31, 2020

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



**Note 25 - Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	25.09	23.17
Depreciation of Right of use assets	1.61	-
<b>Total</b>	<b>26.70</b>	<b>23.17</b>

**Note 26 - Other expenses**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	12.67	12.29
Rates and taxes	15.25	3.86
Legal and professional fees	3.22	4.11
Repairs and maintenance		
- Plant and machinery	25.51	36.65
- Buildings	2.31	3.06
- Others	4.76	2.10
Freight and forwarding	56.27	43.37
Travelling and conveyance	0.77	3.41
Insurance	1.33	0.62
Rent	6.35	5.40
Lease prepayment amortisation	-	1.91
Advertising and sales promotion	0.49	0.54
Payment to auditors <sup>(i)</sup>	0.75	0.97
Allowance for expected credit loss on financial assets (including write off)	(40.95)	-
Loss on sale/ discard of property, plant and equipment	4.67	8.17
Bank charges	3.10	2.31
Miscellaneous expenses	26.04	25.13
<b>Total</b>	<b>122.54</b>	<b>153.90</b>

**(i) Payment to auditors**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
- Audit fee	0.30	0.30
- Tax audit	0.40	0.40
In other capacity		
- Reimbursement of out of pocket expenses	0.05	0.27
<b>Total</b>	<b>0.75</b>	<b>0.97</b>





Note 27 - Tax expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current tax</b>		
Current tax expense	78.85	115.30
	<b>78.85</b>	<b>115.30</b>
<b>Deferred tax</b>		
In respect of current period	63.64	(4.67)
	<b>63.64</b>	<b>(4.67)</b>
<b>Income tax recognised in Statement of Profit and Loss</b>	<b>142.49</b>	<b>110.63</b>
The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:		
Accounting profit before tax	222.83	324.21
Statutory income tax rate	34.94%	34.94%
Tax expense at statutory income tax rate	77.87	113.29
<b>Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:</b>		
Effect of expenses that are not deductible in determining taxable profit	0.56	0.67
Others	64.06	(3.33)
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>142.49</b>	<b>110.63</b>

Note 28 - Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claim against the Firm not acknowledged as debt*</b>		
- Excise Duty/Customs Duty/Service Tax	92.98	98.42
<b>Total</b>	<b>92.98</b>	<b>98.42</b>

\* All the matters above are subject to legal proceedings in the ordinary course of business. The management is confident that its position to be upheld in the appeals pending before various appellate authorities and no liability could arise on the Firm on account of these proceedings.

(b) Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**Note 29 - 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 partners 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 EBIDTA Ratio to arrive at an appropriate level of debt and accordingly evolve its capital structure.

The following table summarises the capital of the Firm:

Particulars	As at March 31, 2020	As at March 31, 2019
Total equity	658.72	759.03
Non-current borrowings (including current maturities)	15.13	19.67
Current borrowings	991.64	863.43
<b>Total capital (Debt + Equity)</b>	<b>1,665.49</b>	<b>1,642.13</b>



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**Note 30 - 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	For the year ended	
	March 31, 2020	March 31, 2019
Employer's contribution to provident funds	5.59	5.77
Employer's contribution to employee state insurance	2.43	3.20

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	Gratuity (Funded)		Compensated absences	
	For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Change in benefit obligation</b>				
1. Present value of obligation as at the beginning of the year	3.06	3.22	1.18	1.26
2. Current service cost	0.88	0.67	0.50	0.38
3. Interest cost	0.23	0.25	0.09	0.10
4. Actuarial (gain) / loss	0.53	(0.46)	0.42	(0.29)
5. Benefits paid	(0.14)	(0.62)	(0.21)	(0.27)
<b>Present value of obligation as at the end of the year</b>	<b>4.57</b>	<b>3.06</b>	<b>1.98</b>	<b>1.18</b>
<b>Liability recognized in the financial statement</b>	<b>4.57</b>	<b>3.06</b>	<b>1.98</b>	<b>1.18</b>
<b>Main actuarial assumption</b>				
Discount rate	0.07	0.08	0.07	0.08
Expected rate of increase in compensation levels	0.06	0.06	0.06	0.06
Expected rate of return on plan assets	-	-	-	-
Expected average remaining working lives of employees (years)	22.56	19.78	22.47	-
Average remaining working lives of employees with Mortality and Withdrawal (years)	17.51	-	17.51	-
Mortality rates inclusive of provision for disability (100% of Indian Assured Lives Mortality (IALM) (2012-14):				
Attrition at Ages				
- Age upto 30 years	0.03	0.03	0.03	0.03
- Age from 31 to 44 years	0.02	0.02	0.02	0.02
- Age above 44 years	0.01	0.01	0.01	0.01
Retirement age (years)	58.00	58.00	58.00	58.00

**Maturity profile of defined benefit obligation**

Year	Gratuity		Compensated absences (Unfunded)	
	For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
0 to 1 year	0.50	0.27	0.18	0.22
1 to 2 year	0.08	0.04	0.04	0.11
2 to 3 year	0.08	0.28	0.04	0.02
3 to 4 year	0.08	0.04	0.04	0.02
4 to 5 year	0.30	0.05	0.16	0.02
5 to 6 year	0.07	0.05	0.03	0.02
6 year onwards	3.45	2.38	1.50	0.79



Particulars	Gratuity		Compensated absences	
	Current year	Previous year	Current year	Previous year
<b>Cost for the period</b>				
1. Current service cost	0.88	0.67	0.50	0.38
2. Net interest cost	0.23	0.25	0.09	0.10
3. Actuarial loss	-	-	0.42	(0.27)
<b>Total amount recognised in Statement of Profit or Loss</b>	<b>1.11</b>	<b>0.92</b>	<b>1.01</b>	<b>0.20</b>
<b>Re-measurements recognised in Other comprehensive income</b>				
1. Actuarial (gain) / loss on plan assets	-	0.02	-	-
2. Effect of changes in demographic assumptions	(0.00)	-	-	-
3. Effect of changes in financial assumptions	0.50	-	-	-
4. Effect of experience adjustments	0.04	(0.49)	-	-
<b>Total re-measurements included in Other comprehensive income</b>	<b>0.53</b>	<b>(0.46)</b>	<b>-</b>	<b>-</b>
<b>Total amount recognised in statement of profit and loss</b>	<b>1.65</b>	<b>1.38</b>	<b>1.01</b>	<b>0.20</b>

**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.

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present value of Obligation at the end of the year	4.57	3.06	1.98	1.18
(a) Impact of the change in discount rate				
(i) Impact due to increase of 0.50%	(0.30)	(0.19)	(0.13)	(0.07)
(ii) Impact due to decrease of 0.50%	0.33	0.21	0.14	0.08
(b) Impact of the change in salary increase				
(i) Impact due to increase of 0.50%	0.33	0.21	0.14	0.08
(ii) Impact due to decrease of 0.50%	(0.31)	(0.20)	(0.13)	(0.07)

**Note 31 - Disclosures on lease pursuant to Ind AS 116 - Leases**

**Adoption of Ind AS 116 'Leases'**

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three Interpretations (Appendix A 'Operating Leases-Incentives', Appendix B 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C 'Determining whether an Arrangement contains a Lease').

Firm does not have any lease which required to be recognised as right of use assets and corresponding lease liabilities, except one leasehold land amounting to Rs. 1.61 lacs as on March 31, 2019, which was classified as prepaid land under the head other assets and this has been reclassified under head right-of-use assets as on April 1, 2019 as per Ind AS 116.

**Lease payments not recognised as a liability**

The Firm has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Firm does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the Financial statement. The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 6.35 lacs.

Total cash outflow for leases for the year ended 31 March 2020 was Rs. 6.35 lacs

**Disclosures under Ind AS 17 for the year ended 31 March 2019**

**Operating leases - Assets taken on lease**

Particulars	As at March 31, 2019
Not later than one year	1.32
Later than one year but not more than 5 years	-
Later than 5 years	-

Total lease rent charged to the Statement of Profit and Loss for the year ended March 31, 2019 was Rs. 5.40 lacs.





## Note 32 Related party disclosures under Ind-AS - 24 "Related Party Disclosures"

## (i) Name of related parties and nature of related party relationship

## (a) Partners

Particulars	Partner share in Gravita Metal Inc	
	March 31, 2020	March 31, 2019
Gravita India Limited	95.00	95.00
Gravita Infotech Limited	5.00	5.00

## (b) Entities over which Key Managerial Personnel and / or their relatives exercise significant influence:

M/s Shasin Industries (Formerly known as M/s Gravita Metals) upto March 20, 2020

M/s Gravita Infotech

M/s Recycling Infotech LLP

## (ii) Detail of transaction and balance outstanding with related parties

## Transactions with related parties :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sales</b>		
<b>Partner</b>		
Gravita India Limited	248.35	79.47
<b>Entities having common key management personnel and/or their relatives</b>		
M/s Shasin Industries (Formerly known as M/s Gravita Metals)	2.50	37.44
<b>Purchases</b>		
<b>Partner</b>		
Gravita India Limited	96.75	9.16
<b>Entities having common key management personnel and/or their relatives</b>		
M/s Shasin Industries (Formerly known as M/s Gravita Metals)	6.54	2.64
<b>Profit distribution</b>		
<b>Partner</b>		
Gravita India Limited	76.00	203.20
Gravita Infotech Limited	4.00	10.67
<b>Expenses reimbursed</b>		
<b>Partner</b>		
Gravita India Limited	-	1.20

## Closing balances with related parties:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Receivables</b>		
<b>Partner</b>		
Gravita India Limited	17.50	-
<b>Capital Balances (Fixed and current capital)</b>		
<b>Partner</b>		
Gravita India Limited	533.80	749.17
Gravita Infotech Limited	124.92	9.86



**Note 33 - Financial Instruments**

**Financial assets and liabilities**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>Financial assets measured at amortised cost</b>			
Loans	5	111.28	14.23
Trade receivables	8	266.50	562.85
Cash and cash equivalents	9	3.08	2.65
Other bank balances	10	316.39	299.01
Other financial assets		-	-
<b>Total financial assets</b>		<b>697.25</b>	<b>878.74</b>
<b>Financial liabilities measured at amortised cost</b>			
Borrowings	12	1,006.77	883.10
Trade payables	15	596.90	705.59
Other financial liabilities	16	0.07	-
<b>Total financial liabilities</b>		<b>1,603.74</b>	<b>1,588.69</b>

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

**Fair values hierarchy**

The fair value of financial instruments as referred to in above note has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

**The categories used are as follows:**

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**Note 34 - 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 therefore, there are no foreign currency risk exist



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(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.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	891.64	863.43
Fixed rate borrowing	110.20	14.76
<b>Total borrowings</b>	<b>1,001.84</b>	<b>878.19</b>

Sensitivity

Below is the sensitivity of profit or loss to changes in interest rates.

Particulars	As at March 31, 2020	As at March 31, 2019
Interest rate - increase by 100 basis points (100 bps)*	8.92	8.63
Interest rate - decrease by 100 basis points (100 bps)*	(8.92)	(8.63)

\* Holding all other variable constant

(b) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The firm is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To manage trade receivables, the firm periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Credit risk from balances with banks and financial institutions is managed by the firm's treasury department in accordance with the firm's policy.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed below:

Particulars	As at March 31, 2020	As at March 31, 2019
Amount not yet due	42.34	562.85
Between one to six month overdue	223.90	-
Greater than six month overdue	0.26	-
<b>Total</b>	<b>266.50</b>	<b>562.85</b>

Movement in the expected credit loss allowance of financial assets

Reconciliation of loss allowance	Financial assets
Loss allowance as at April 1, 2018	-
Changes in loss allowance	-
Loss allowance as at March 31, 2019	-
Changes in loss allowance	-
Loss allowance on March 31, 2020	-



(This space has been left intentionally blank)

(c) Liquidity risk management

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	As at March 31, 2020	As at March 31, 2019
Total committed working capital limits from Banks	900.00	900.00
Utilized working capital limit	891.64	863.43
Unutilized working capital limit	8.36	36.57

(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 is the contractual undiscounted cash flow.

Contractual maturities of financial liabilities

Particulars	Less than 1 year	1-5 year	More than 5 years	Total
<b>As at March 31, 2020</b>				
<b>Non-derivatives</b>				
Non-current borrowing (including current maturities of non-current borrowings) along with estimated future interest obligation	5.53	10.67	-	16.20
Short term borrowings	991.64	-	-	991.64
Trade payable	596.90	-	-	596.90
Other financial liabilities	0.07	-	-	0.07
<b>Total</b>	<b>1,594.14</b>	<b>10.67</b>	<b>-</b>	<b>1,604.81</b>
<b>As at March 31, 2019</b>				
<b>Non-derivatives</b>				
Non-current borrowing (including current maturities of non-current borrowings) along with estimated future interest obligation	5.99	16.96	-	22.95
Short term borrowings	863.43	-	-	863.43
Trade payable	705.59	-	-	705.59
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>1,575.01</b>	<b>16.96</b>	<b>-</b>	<b>1,591.97</b>

In terms of our report attached.  
 For R Sogani & Associates  
 Chartered Accountants  
 Firm's Registration No.: 018755C

Bharat Sonkhiya  
 Partner  
 Membership No: 403023



Place: Jaipur  
 Date: 25 JUN 2020

In confirmation of the facts  
 For Gravita Metal Inc.

Rajat Agrawal  
 DIN: 00855284  
 Managing Director of partner company Gravita India Limited and Gravita Infotech Limited



Place: Jaipur  
 Date: 25 JUN 2020