R Sogani & Associates
Chartered Accountants

"Shree Dham"
R-20, YudhishterMarg, 'C'-Scheme, Jaipur - 302005
Tel: 2222734, 2220735, 2220736
E-mail: rsa@soganiprofessionals.com
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Annexure - B to the Independent Auditor's Report of even date to the members of Gravita Infotech Limited, on the financial statements for the year ended 31st March 2021

Independent Auditor Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the financial statements of Gravita Infotech Limited ('the Company') as at and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

R SOGANI & ASSOCIATES FRN 018755C JAIPUR Chartered Accountants

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Auditors' Responsibility

1. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal financial controls over financial reporting, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

2. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting

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4. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: JAIPUR
Date: 17th May 2021

UDIN: 21403023AAABCX7723

For R Sogani & Associates
Chartered Accountants
FRN : 018755C

R SOGANI & ASSOCIATES
FRN 018755C
JAIPUR
Chartered Accountants

(BHARAT SONKHIYA)
Partner
Membership No : 403023

Gravita Infotech Limited
CIN: U51109RJ2001PLC016924
Regd. office: 501, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004
Balance Sheet as at March 31, 2021
(All amounts in Rs. lacs, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Non-current assets			
Property, plant and equipment	2	99.86	105.72
Right-of-use assets	3	-	0.88
Other intangible assets	4	0.03	0.04
Financial assets			
Investments	5	7.57	7.57
Loans	6	0.79	1.93
Others financial assets	7	6.76	6.37
Income tax assets (net)		11.06	11.06
Other non current assets	8	0.37	0.37
Total non-current assets		126.44	133.94
Current assets			
Financial assets			
Investments	5	98.73	119.91
Trade receivables	9	35.51	1.09
Cash and cash equivalents	10	0.49	0.56
Others financial assets	7	-	9.25
Other current assets	8	0.94	3.01
Total current assets		135.67	133.82
TOTAL ASSETS		262.11	267.76
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	20.00	20.00
Other equity	12	223.32	233.71
Total equity		243.32	253.71
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	13	4.76	6.76
Total non-current liabilities		4.76	6.76
Current liabilities			
Financial liabilities			
Trade payables	14	5.35	2.90
Lease liabilities	15	-	1.75
Other current liabilities	16	5.66	0.37
Provisions	17	1.83	2.27
Current tax liabilities (net)		1.19	-
Total current liabilities		14.03	7.29
Total liabilities		18.79	14.05
TOTAL EQUITY AND LIABILITIES		262.11	267.76

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

R Sogani & Associates * Chartered Accountants * M.No. 018755C JAIPUR

Bharat Sonkhiya
Partner
Membership No: 403023

Place: Jaipur
Date : May 17, 2021

For and on behalf of Board of Directors

Gravita Infotech Ltd. * Jaipur *

Vijendra Singh Tanwar
Director
DIN: 00855175

Place: Jaipur
Date : May 17, 2021

Rajat Agrawal
Managing Director
DIN: 00855284

Place: Jaipur
Date : May 17, 2021

Gravita Infotech Limited
CIN: U51109RJ2001PLC016924
Regd. office: 501, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Income			
	Revenue from operations	18	(26.26)	0.38
	Other income	19	42.36	11.70
	Total Income (I)		**16.10**	**12.08**
II	**Expenses**			
	Employee benefits expense	20	13.88	10.17
	Finance costs	21	0.03	0.53
	Depreciation and amortisation expense	22	6.52	9.89
	Other expenses	23	5.50	4.74
	Total expenses (II)		**25.93**	**25.33**
III	**Profit before exceptional items and tax (I - II)**		(9.83)	(13.25)
IV	Exceptional items	24	-	9.42
V	**Profit before exceptional items and tax (III - IV)**		(9.83)	(22.67)
VI	**Tax expense**	25		
	Current tax		2.56	-
	Deferred tax		(2.00)	(3.80)
	Total tax expense		**0.56**	**(3.80)**
VII	**Profit for the year (V - VI)**		**(10.39)**	**(18.87)**
VIII	Other comprehensive income		-	-
IX	**Total comprehensive income for the year (VII + VIII)**		**(10.39)**	**(18.87)**
X	**Earnings per share**	26		
	Basic		(5.20)	(9.44)
	Diluted		(5.20)	(9.44)

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

R. SOGANI & ASSOCIATES
M.No. 018755C
JAIPUR
Chartered Accountants

Bharat Sonkhiya
Partner
Membership No: 403023

Place: Jaipur
Date : May 17, 2021

For and on behalf of Board of Directors

GRAVITA INFOTECH LTD
JAIPUR

Vijendra Singh Tanwar
Director
DIN: 00855175

Place: Jaipur
Date : May 17, 2021

Rajat Agrawal
Managing Director
DIN: 00855284

Place: Jaipur
Date : May 17, 2021

Gravita Infotech Limited
CIN: U51109RJ2001PLC016924
Regd. office: 501, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar. Jaipur, Raj, PIN: 302004
Cash Flow Statement for the year ended March 31, 2021
(All amounts in Rs. lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax	(9.83)	(22.67)
Adjustments for:		
Depreciation and amortisation	6.52	9.89
Loss/(Profit) on sale of fixed assets	0.21	0.20
Finance Cost	0.03	0.53
Interest income on deposits	(0.42)	(0.45)
Loss on sale of investment - exceptional items	-	9.42
Operating profit before working capital changes	**(3.49)**	**(3.08)**
Changes in working capital		
Adjustments for change in operating assets:		
Trade receivables	(34.42)	4.50
Other current financials assets	9.25	(9.25)
Non-current loans	1.14	-
Other current and non-current assets	2.08	111.52
Adjustments for change in operating liabilities:		
Trade payables	2.45	0.91
Other current liabilities	5.29	(0.27)
Non-current and current provisions	(0.44)	0.37
	(14.65)	**107.78**
Cash (used in) / generated from operations	**(18.14)**	**104.70**
Income taxes paid (net of refund)	(1.37)	(1.06)
Net cash (used in) / generated from operating activities (A)	**(19.51)**	**103.64**
B. Cash flow from investing activities		
Proceeds from sale of fixed assets	0.01	2.32
Movement in non-current and current investments	21.18	(104.48)
Interest income	0.03	0.05
Net cash generated from / (used in) investing activities (B)	**21.22**	**(102.11)**
C. Cash flow from financing activities		
Payment of lease liabilities	(1.78)	(6.98)
Net cash (used in) financing activities (C)	**(1.78)**	**(6.98)**
Net change in Cash and cash equivalents (A+B+C)	**(0.07)**	**(5.45)**
Cash and cash equivalents at the beginning of the year	0.56	6.01
Cash and cash equivalents at the end of the year	**0.49**	**0.56**

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

R. SOGANI & ASSOCIATES Chartered Accountants M. No. 018755C JAIPUR

Bharat Sonkhiya
Partner
Membership No: 403023

Place: Jaipur
Date : May 17, 2021

For and on behalf of Board of Directors

GRAVITA INFOTECH LTD.

Vijendra Singh Tanwar
Director
DIN: 00855175

Place: Jaipur
Date : May 17, 2021

Rajat Agrawal
Managing Director
DIN: 00855284

Place: Jaipur
Date : May 17, 2021

Gravita Infotech Limited
CIN: U51109RJ2001PLC016924
Regd. office: 501, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004
Statement of changes in equity for the year ended March 31, 2021
(All amounts in Rs. lacs, unless otherwise stated)

(a) Equity share capital (Refer note 11)

Particulars	Amount
Balance as at April 1, 2019	20.00
Changes in equity share capital	-
Balance as at March 31, 2020	20.00
Changes in equity share capital	-
Balance as at March 31,2021	20.00

(b) Other equity (Refer note 12)

Particulars	Retained earnings	Total
Balance as at April 1, 2019	256.40	256.40
Profit for the year	(18.87)	(18.87)
Total comprehensive income for the year	(18.87)	(18.87)
Impact due to Ind AS 116	(3.82)	(3.82)
Balance as at March 31, 2020	233.71	233.71
Profit for the year	(10.39)	(10.39)
Total comprehensive income for the year	(10.39)	(10.39)
Balance as at March 31,2021	223.32	223.32

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

R. SOGANI & ASSOCIATES
M.No. 018755C
JAIPUR
Chartered Accountants

Bharat Sonkhiya
Partner
Membership No: 403023

Place: Jaipur
Date : May 17, 2021

For and on behalf of Board of Directors

GRAVITA INFOTECH LTD.
JAIPUR

Vijendra Singh Tanwar
Director
DIN: 00855175

Place: Jaipur
Date : May 17, 2021

Rajat Agrawal
Managing Director
DIN: 00855284

Place: Jaipur
Date : May 17, 2021

Gravita Infotech Limited
CIN: U51109RJ2001PLC016924
Regd. office: 501, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004
Summary of the significant accounting policies and other explanatory information
For the year ended March 31, 2021
(All amounts in Rs. lacs, unless otherwise stated)

Note 1 - Corporate information, statement of compliance with Ind AS, basis of preparation and summary of significant accounting policies

(A) Corporate Information

Gravita Infotech Ltd is a Company incorporated in India, having registered office at Jaipur of Rajasthan State and having principal place of business in Jaipur itself.

(B) Statement of compliance with Ind AS and basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013.

The financial statements have been prepared under historical cost convention basis except for the following –

- Certain financial assets which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

Further, certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

(C) Significant accounting policies

I. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

II. Property, plant and equipment

Recognition and initial measurement

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GRAVITA INFOTECH LTD. JAIPUR

Property, plant and equipment are stated at their cost of acquisition or construction. Following initial recognition, property plant and equipment are carried at cost less any accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.
Subsequent costs are included in the asset's carrying amount or recognised 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 can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)
Depreciation on property, plant and equipment is provided on the straight-line method computed on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible assets	Useful life
Buildings – factory and non-factory	5 - 60 years
Plant and equipment	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Computer and accessories	3- 6 years
Office equipment	5 years

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition
An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work-in-progress are assets which are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

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GRAVITA INFOTECH LTD.
JAIPUR

III. Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (amortisation and useful lives)

All finite-lived intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

IV. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use. Borrowing costs consist of interest calculated using the effective interest method that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

V. Leases

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.

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Chartered Accountants

GRAVITA INFOTECH LTD.

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.

VI. 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.

<u>Sale of products (including scrap sales and service income):</u> 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 goods shipped.

Income in respect of service contracts are recognised in Statement of Profit and Loss on completion of performance obligation.

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.

R. Sogani & Associates Chartered Accountants M.No. 018755C JAIPUR

Gravita Infotech Ltd. Jaipur

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.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Profit/ (Loss) from partnership firms: Profit/ (Loss) from partnership firms which are in the same line of operation is considered as operating Income. The share of profit/ (loss) in partnership firm is recognised as income in the Statement of Profit and Loss as and when the right to receive the profit/ (loss) share is established.

VII. Financial Instruments

Initial measurement

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

- In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

R. SOGANI & ASSOCIATES Chartered Accountants M. No. 018755C JAIPUR

GRAVITA INFOTECH LTD. JAIPUR

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

a. **Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

b. **Financial assets at fair value**
   - **Derivative assets** - All derivative assets are measured at fair value through profit and loss (FVTPL).
   - **Investments in equity instruments (other than subsidiaries/ associates/ joint ventures)** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

     If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

     Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss account.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

VIII. Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.
The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on company's historical collection experience for customers and forecast of macro-economic factors.

The Company defines default as an event when the financial asset is past due for more than 180 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

The Company writes off trade receivables when there is no objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Company.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not

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increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

IX. Investment in subsidiaries and associates

In accordance with Ind AS 27 – Separate Financial Statements, investments in equity instruments of subsidiaries and associates can be measured at cost or at fair value in accordance with Ind AS 109. The Company has opted to measure such investments at cost at initial recognition.

Subsequently, such investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

X. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

XI. Post-employment, long term and short-term employee benefits

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

Defined Contribution plan

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

XII. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

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XIII. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

XIV. Taxes

Income taxes

Current 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 (either in other comprehensive income or in equity). 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

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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Minimum Alternate Tax ('MAT') credit is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Company will pay normal income tax during the specified period.

XV. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

XVI. Use of estimates and judgement

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognised in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. **Useful lives of depreciable/ amortisable assets:** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

b. **Evaluation of indicators for impairment of assets:** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c. **Recognition of Deferred tax assets and Minimum Alternate Tax assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

d. **Allowance for expected credit loss:** The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Company has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

e. **Contingent liabilities:** The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

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f. **Provisions:** At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

g. **Leases:** Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

XVII. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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Gravita Infotech Limited
CIN: U51109RJ2001PLC016924
Regd. office: 501, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004
Summary of significant accounting policies and other explanatory information
For the year ended March 31, 2021
(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. 2019	97.91	0.35	9.88	0.83	21.59	12.22	142.78
Additions	-	-	-	-	-	-	-
Disposals	-	-	(0.48)	(0.37)	(2.56)	-	(3.41)
As at March 31, 2020	97.91	0.35	9.40	0.46	19.03	12.22	139.37
Additions	-	-	-	-	-	-	-
Disposals	-	(0.30)	(1.66)	(0.42)	(0.02)	-	(2.40)
As at March 31, 2021	97.91	0.05	7.74	0.04	19.01	12.22	136.97
Accumulated Depreciation							
As at April 1. 2019	5.10	0.12	3.52	0.31	9.05	10.05	28.15
Charge for the year	1.70	0.04	1.96	-	2.69	-	6.39
Deletions	-	-	(0.26)	-	(0.63)	-	(0.89)
As at March 31, 2020	6.80	0.16	5.22	0.31	11.11	10.05	33.65
Charge for the year	1.70	0.04	1.42		2.49		5.65
Deletions	-	(0.19)	(1.59)	(0.40)	(0.01)	-	(2.19)
As at March 31, 2021	8.50	0.01	5.05	(0.09)	13.59	10.05	37.11
Net carrying value							
As at March 31, 2020	91.11	0.19	4.18	0.15	7.92	2.17	105.72
As at March 31, 2021	89.41	0.04	2.69	0.13	5.42	2.17	99.86

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Summary of significant accounting policies and other explanatory information
For the year ended March 31, 2021
(All amounts in Rs. lacs, unless otherwise stated)

Note 3 - Right-of-use assets

Particulars	Building	Total
Gross carrying amount		
As at April 1, 2019	-	-
Additions	4.38	4.38
Disposals		-
As at March 31, 2020	4.38	4.38
Additions	-	-
Disposals	-	-
As at March 31, 2021	**4.38**	**4.38**
Accumulated Depreciation		
As at April 1, 2019	-	-
Charge for the year	3.50	3.50
Deletions	-	-
As at March 31, 2020	3.50	3.50
Charge for the year	0.88	0.88
Deletions	-	-
As at March 31, 2021	**4.38**	**4.38**
Net carrying value		
As at March 31, 2020	**0.88**	**0.88**
As at March 31, 2021	**-**	**-**

Note 4 - Other Intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2019	0.04	0.04
Additions	-	-
Disposals	(0.01)	(0.01)
As at March 31, 2020	**0.03**	**0.03**
Additions	-	-
Disposals	-	-
As at March 31, 2021	**0.03**	**0.03**
Accumulated amortisation		
As at April 1, 2019	-	-
Charge for the year	-	-
Deletions	-	-
As at March 31, 2020	-	-
Charge for the year	-	-
Deletions	-	-
As at March 31, 2021	**-**	**-**
Net carrying value		
As at March 31, 2020	**0.04**	**0.04**
As at March 31, 2021	**0.03**	**0.03**

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

Note 5 - Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
I Non-current investments, carried at cost				
Investment in equity instruments				
Investment in subsidiaries (unquoted) (fully paid shares)				
Noble Build Estate Private Limited Shares of face value of Rs. 10 each (previous year: Rs. 10 each)	10	0.04	10	0.04
Total (a)		0.04		0.04
Investment in associates (unquoted)				
Pearl Landcon Private Limited		0.50		0.50
Total (b)		0.50		0.50
Investment in partnership firms (unquoted)*				
M/s Gravita Metal Inc		5.00		5.00
M/s Gravita Infotech		1.02		1.02
Total (c)		6.02		6.02
Investment in government securities (unquoted)				
National saving certificate		0.03		0.03
Total (d)		0.03		0.03
Investment in limited liability partnership (LLP) (unquoted)*				
M/s Recycling Infotech LLP		0.98		0.98
Total (e)		0.98		0.98
Total non-current investments (f) = (a + b + c + d + e)		7.57		7.57
II Current investments, carried at cost				
Investment in partnership firms (unquoted)#				
M/s Gravita Metal Inc		98.93		120.19
M/s Gravita Infotech		(0.16)		(0.19)
Total (g)		98.77		120.00
Investment in limited liability partnership (LLP)				
M/s Recycling Infotech LLP		(0.04)		(0.09)
Total (h)		(0.04)		(0.09)
Total current investments (i) = (g + h)		98.73		119.91
Aggregate amount of unquoted investments		106.30		127.48

As current capital account is covered by partnership deed, the closing balance in current capital account has been disclosed as current investments.

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* Other details relating to Investment in partnership firms:

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in M/s Gravita Metal Inc		
Name of the partner and share in profits (in %)		
- Gravita India Limited	95.00%	95.00%
- Gravita Infotech Limited	5.00%	5.00%
Total capital of the firm (in lacs)	100.00	100.00
Investment in M/s Gravita Infotech		
Name of the partner and share in profits (in %)		
- Gravita India Limited	49.00%	49.00%
- Gravita Infotech Limited	51.00%	51.00%
Total capital of the firm (in lacs)	2.00	2.00
Investment in M/s Recycling Infotech LLP		
Name of the partner and share in profits (in %)		
- Gravita India Limited	51.00%	51.00%
- Gravita Infotech Limited	49.00%	49.00%
Total capital of the firm (in lacs)	2.00	2.00

Note 6 - Non-current Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	0.79	1.93
Total	0.79	1.93

Note 7 - Others financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Fixed deposits with more than 12 months maturity	6.76	6.37
Total	6.76	6.37
Current		
Receivable for sale of investment (refer note 24)	-	9.25
Total	-	9.25

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Note 8 - Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Non Current		
Balances with government authorities	0.37	0.37
Total	**0.37**	**0.37**
Current		
Prepaid expenses	0.08	0.13
Balance with government authorities	0.86	2.88
Total	**0.94**	**3.01**

Note 9 - Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables - Unsecured - considered good	35.51	1.09
Total	**35.51**	**1.09**

Note 10 - Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	0.49	0.56
Total	**0.49**	**0.56**

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Note 11 - Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
2,00,000 Equity shares of Rs. 10 each	200,000	20.00	200,000	20.00
Issued, subscribed and fully paid up				
2,00,000 Equity shares of Rs. 10 each fully paid up	200,000	20.00	1,000,000	20.00
Total	**200,000**	**20.00**	**1,000,000**	**20.00**

(a) Changes in equity share capital during the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares with voting rights				
Balance as at the beginning of the year	200,000	20.00	200,000.00	20.00
Add: shares issued	-	-	-	-
Closing at the end of the year	**200,000**	**20.00**	**200,000**	**20.00**

No shares has been issued for consideration other than cash in the current reporting year and in last five years immediately preceding the current reporting year.

(b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a face value of Rs. 2 per share. Each equity shareholder is entitle to one vote per share held. The Company declares and pays dividends in Indian Rupees. The final dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholder holding more than 5 percent shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
Gravita India Limited	200,000	100.00	200,000	100.00

(d) During the five years immediately preceding 31 March 2020, the Company has neither allotted any bonus shares nor have any shares been bought back.

Note 12 - Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	223.32	233.71
Total	**223.32**	**233.71**

Description of nature and purpose of each reserve
Retained earnings - Retained earnings represents surplus in Statement of Profit and Loss.

Note 13 - Deferred tax liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liability arising on account of:		
Property, plant and equipment and intangible assets	7.80	7.54
Other temporary differences	-	0.03
Gross deferred tax liabilities	**7.80**	**7.57**
Deferred tax asset arising on account of:		
Provision for employee benefits and other liabilities deductible on actual payment	0.48	-
Allowances for expected credit losses	-	0.59
Right-of-use assets and lease liabilities	-	0.23
Gross deferred tax assets	**0.48**	**0.82**
Minimum Alternative tax	2.56	-
Deferred tax liabilities (net)	**4.76**	**6.76**

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Note 14 - Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises(i)	-	-
Total outstanding dues of creditors other than micro and small enterprises	5.35	2.90
Total	5.35	2.90

(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 Company, 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, 2021	As at March 31, 2020
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
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 15 - Current lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current	-	1.75
Total	-	1.75

i. **Disclosures on lease pursuant to Ind AS 116 - Leases**

The Company had leases for the buildings. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases contain an option to extend the lease for a further term after mutual consent of both the parties. The Company was prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities.

Total cash outflow for leases for the year ended 31 March 2021 was Rs. 2.08 lacs (Previous year: Rs. 6.98 lacs).

Note 16 - Other current liablities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances*	5.66	0.37
Total	5.66	0.37

*Include contribution to Provident Fund and ESI, Withholding Taxes, Goods and Service Tax, Service Tax and Professional Tax.

R. SOGANI & ASSOCIATES
CA
M.No. 018755C
JAIPUR
Chartered Accountants

GRAVITA INFOTECH LTD.
JAIPUR

Gravita Infotech Limited
CIN: U51109RJ2001PLC016924
Regd. office: 501, Rajputana Tower, A 27-B, Shanti Path, Tilak Nagar, Jaipur, Raj, PIN: 302004
Summary of significant accounting policies and other explanatory information
For the year ended March 31, 2021
(All amounts in Rs. lacs, unless otherwise stated)

Note 17 - Current provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity	1.45	1.23
Provision for compensated absences	0.38	1.04
Total	1.83	2.27

Note 18 - Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other operating revenues		
Share of profit from partnership firms (net)	(26.26)	0.38
Total	(26.26)	0.38

Note 19 - Other income

Particular	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income from:		
- bank deposits (at amortised cost)	0.42	0.45
Other non-operating income		
Miscellaneous income	0.73	1.08
Other gains and losses		
Rental Income	41.21	10.17
Total	42.36	11.70

Note 20 - Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	13.26	9.31
Contribution to provident and other funds	0.55	0.46
Staff welfare expenses	0.07	0.40
Total	13.88	10.17

Note 21 - Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest costs on		
- Lease liabilities	0.03	0.53
Total	0.03	0.53

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Note 22 - Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	5.65	6.39
Depreciation of Right-of-use assets	0.87	3.50
Total	6.52	9.89

Note 23 - Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	2.17	2.47
Rates and taxes	2.18	-
Legal and professional fees	0.18	0.16
Repairs and maintenance		
- Others	0.21	1.28
Freight and forwarding	-	0.21
Insurance	0.14	0.37
Rent	0.30	-
Payment to auditors[(i)]	0.08	0.08
Allowance for expected credit loss on financial assets (including	(0.01)	(0.34)
Loss on sale/ discard of property, plant and equipment	0.21	0.20
Bank charges	0.02	0.24
Miscellaneous expenses	0.02	0.07
Total	5.50	4.74

(i) Payment to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
- Audit fee	0.08	0.08
In other capacity		
- Reimbursement of out of pocket expenses	-	-
Total	0.08	0.08

Note 24 - Exceptional items

The exceptional item amounting to Rs. 9.42 lacs for the year ended 31 March 2020 represents loss on sale of investment in subsidiary.

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Note 25 - Tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of current year	2.56	-
In respect of earlier year	-	-
	2.56	-
Deferred tax		
In respect of current year	0.56	(3.80)
MAT credit (created) utilised for current year	(2.56)	-
	(2.00)	(3.80)
Income tax recognised in Profit and Loss	0.56	(3.80)
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:		
Profit before tax	(9.83)	(22.67)
Statutory income tax rate	34.94%	34.94%
Tax expense at statutory income tax rate	(3.43)	(7.92)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Others	3.99	4.12
Income tax expense recognised in statement of profit and loss	0.56	(3.80)

Note 26 - Earning per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year attributable to equity shares (Rs. in lacs) (A)	(10.39)	(18.87)
Weighted-average number of equity shares for basic EPS (B)	200,000	200,000
Weighted-average number of equity shares for diluted EPS (c)	200,000	200,000
Basic earnings per share (in Rs.) (A/B)	(5.20)	(9.44)
Diluted earnings per share (in Rs.) (A/C)	(5.20)	(9.44)

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GRAVITA INFOTECH LTD. JAIPUR

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

Note 27 - Contingent liabilities and commitments

(a) Contingent Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Claim against the company not acknowledged as debt	-	-
Total	-	-

(b) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	-
Total	-	-

Note 28 - Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2021, the Company is not subject to any externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. The Company's management reviews the capital structure of the Company on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The Company 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.

Note 29 - Employee benefits plans

Defined Contribution Plans

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution to provident funds	0.43	0.40
Employer's contribution to employee state insurance	0.12	0.06

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Note 30 - Related party disclosures under Accounting Standard Ind-AS - 24 "Related Party Disclosures"

i. Name of related parties and nature of related party relationship

a. Holding Company

Name	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Gravita India Limited	India	100.00	100.00

b. Associate

Name	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
Pearl Landcon Private Limited	India	25.00	25.00

c. Partnership firms

Name	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
M/s Shasin Industries upto March 20, 2020	India	5.00	5.00
M/s Gravita Metal Inc	India	5.00	5.00
M/s Gravita Infotech	India	51.00	51.00

d. Limited liability partnership firm

Name of the firm	Country of incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
M/s Recycling Infotech LLP	India	49.00	49.00

Key Managerial Personnel and their relatives:

e. Key Management Personnel

Name of the director	Designation
Rajat Agrawal	Managing Director
Dr. M. P. Agarwal	Director

ii. Detail of transaction and balance outstanding with related parties

Transactions with related parties:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental Income		
Holding Company		
Gravita India Limited	10.77	10.17

Closing balances with related parties:

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables		
Holding Company		
Gravita India Limited	35.47	0.92
Other Contractual payable to related parties		
Holding Company	2.54	1.53
Gravita India Limited		
Capital Account		
Gravita India Limited	26.09	26.09
Investment balances (Fixed and current capital)		
M/s Gravita Metal Inc.	103.93	125.19
M/s Gravita Infotech	0.86	0.83
M/s Recycling Infotech LLP	0.94	0.89

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

Note 31 - Financial Risk Management

Liquidity risk

Liquidity risk is the risk that the Company 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 Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company 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.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant:

Particulars	Less than 1 year	1-5 year	More than 5 years
March 31, 2021			
Lease liabilities	-	-	-
Trade payables	5.35	-	-
March 31, 2020			
Lease liabilities	1.75		
Trade payables	2.90	-	-

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 : May 17, 2021

For and on behalf of Board of Directors

Vijendra Singh Tanwar
Director
DIN: 00855175

Place: Jaipur
Date : May 17, 2021

Rajat Agrawal
Managing Director
DIN: 00855284

Place: Jaipur
Date : May 17, 2021