



Independent Auditor's Report
Prepared for Consolidation Purposes

From: Swarnkar & Co.

Subject: Component Audit of Navam Lanka Limited for the year ended 31st March, 2020

To: R Sogani & Associates, Jaipur, India

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of the FFC Accounts in accordance with accounting policies generally accepted in India. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the FFC Accounts that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The FFC Accounts has been prepared solely to enable Gravita India Limited to prepare its consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the FFC Accounts based on our audit. we conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards on Auditing require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the FFC Accounts are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the FFC Accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the FFC Accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the FFC Accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the FFC Accounts.

We believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying FFC Accounts for **Navam Lanka Limited** as of **31st March, 2020** and for the year then ended has been prepared, in all material respects, in accordance with accounting principles generally accepted in India.

Restriction on Use and Distribution

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

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

Deepak Kumar Swarnkar
(Proprietor)
M. No:-424940
Date: 19-06-2020
UDIN: 20424940AAAAFF6239





Navam Lanka Limited
Balance sheet as at March 31, 2020

(Rs. In lacs)			
Particulars	Note	As at Mar 31, 2020	As at Mar 31, 2019
I. ASSETS			
1 Non - current assets			
(a) Property, Plant and Equipment	2	396.20	323.06
(b) Capital work-in-progress		10.33	70.87
(c) Right to Use Assets		45.98	
(d) Other Intangible assets		0.12	0.52
(i) Loans	3	6.74	6.66
(e) Other non current assets		-	1.70
		459.37	402.81
2 Current assets			
(a) Inventories	5	636.07	633.13
(b) Financial Assets			
(i) Trade receivables	6	699.13	507.79
(ii) Cash and cash equivalents	7	68.16	15.54
(c) Other current assets	4	42.76	27.00
3 Assets held-for-sale			
	15	-	-
		1,446.12	1,183.46
Total Assets		1,905.49	1,586.27
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	8	409.63	409.63
(b) Other equity	1	673.64	580.14
Equity attributable to owners of the Company		1,083.27	989.77
2 Liabilities			
Non - current liabilities			
(a) Provisions	9	30.69	26.49
(d) Lease Liability		46.45	-
		77.14	26.49
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	672.62	412.71
(ii) Trade payables	11	43.94	101.75
(iii) Lease Liability		5.46	-
(b) Other current liabilities	12	13.17	0.04
(c) Current tax Liabilities (net)	13	9.89	55.51
		745.08	570.01
Total Equity and Liabilities		1,905.49	1,586.27

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

Deepak Kumar Swarnkar
(Proprietor)
M.No. 424940



Place:- Jaipur

For and on behalf of the Board of Directors
Navam Lanka Limited

Rajat Sharma
(Director)

Manesh Jangir
(Director)

Navam Lanka Limited
Statement of profit and loss For the period ended on Mar 31, 2020

Particulars	Note	(Rs. In lacs)	
		For the period ended Mar 31, 2020	For the period ended Mar 31, 2019
I Revenue from operations	14	5,562.90	5,940.91
II Other income	15	-	0.04
III Total income (I + II)		5,562.90	5,940.95
IV Expenses:			
(a) Cost of materials consumed	16	4,264.13	4,551.86
(b) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	17	36.35	(82.93)
(c) Employee benefits expense	18	198.17	222.54
(d) Finance costs	19	25.17	10.50
(e) Depreciation and amortisation expense	20	33.49	29.91
(f) Other expenses	21	190.59	261.32
Total expenses (IV)		4,747.90	4,993.20
V Profit before tax (III - IV + V)		815.00	947.75
VI Tax expense:			
(a) Current tax	22	108.76	136.75
VII Profit for the year (VI - VII)		706.24	811.00
VIII Other comprehensive income (OCI)			
(a) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(0.46)	(29.96)
Other comprehensive income		(0.46)	(29.96)
IX Total comprehensive income for the year (VIII + IX)		705.78	781.04

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




Deepak Kumar Swarnkar
Proprietor
M.No. 424940



Place:- Jaipur

For and on behalf of the Board of Directors
Navam Lanka Limited



Rajesh Sharma
(Director)



Manesh Jangir
(Director)

Navam Lanka Limited

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

Particulars	Reserves and surplus Surplus in Statement of Profit and Loss	Other equity		Attributable to owners of the parent	Total
		Items of OCI			
		Foreign currency translation reserve			
Balance as at March 31, 2018	664.57	(35.21)		629.36	629.36
1 Profit for the year	811.00	-		811.00	811.00
2 Other comprehensive income for the year, net of income tax	-	(29.96)		(29.96)	(29.96)
Total comprehensive income for the year	811.00	(29.96)		781.04	781.04
12 Interim dividend on equity shares	(714.78)	-		(714.78)	(714.78)
13 Tax on interim dividend on equity shares	(116.36)	-		(116.36)	(116.36)
16 Capital Withdrawal during the period	0.88	-		0.88	0.88
Balance as at March 31, 2019	645.31	(65.17)		580.14	580.14
1 Profit for the year	706.24	-		706.24	706.24
2 Other comprehensive income for the year, net of income tax	-	(0.46)		(0.46)	(0.46)
Total comprehensive income for the year	706.24	(0.46)		705.78	705.78
1 Interim dividend on equity shares	(513.83)	-		(513.83)	(513.83)
2 Tax on interim dividend on equity shares	(83.65)	-		(83.65)	(83.65)
3 Impact as per Ind AS-116	(14.81)	-		(14.81)	(14.81)
Balance as at March 31, 2020	739.26	(65.63)		673.63	673.63



Navam Lanka Limited
Notes forming part of the financial statements

Note 2 - Property, Plant and Equipment

Particulars	(Rs. In lacs)							
	Freehold land	Buildings	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Cost								
As at March 31, 2018	-	114.00	222.94	2.75	0.45	1.01	46.45	387.60
Additions during the year	-	0.07	54.89	0.53	-	0.07	-	55.56
Disposals/ Adjustments	-	-	(23.59)	-	-	-	(4.88)	(28.47)
Translation difference	-	(6.86)	(15.14)	(0.19)	(0.03)	(0.06)	(2.53)	(24.81)
As at March 31, 2019	-	107.20	239.10	3.09	0.42	1.02	39.03	389.88
Additions during the year	-	5.83	39.52	4.80	0.15	0.88	-	51.18
Disposals/ Adjustments	-	-	64.04	-	-	-	-	64.04
Translation difference	-	1.16	(16.39)	0.05	0.02	0.01	0.42	(14.73)
As at March 31, 2020	-	114.20	326.28	7.94	0.58	1.91	39.45	490.37
Depreciation								
As at March 31, 2018	-	13.48	28.97	0.45	0.18	0.12	3.94	47.14
Charge for the year	-	6.70	17.38	0.63	0.10	0.21	4.47	29.49
Deletions	-	-	(5.68)	-	-	-	-	(5.68)
Translation difference	-	(1.18)	(2.38)	(0.05)	(0.02)	(0.02)	(0.48)	(4.13)
As at March 31, 2019	-	19.00	38.28	1.02	0.26	0.31	7.93	66.82
Charge for the year	-	6.41	19.78	0.94	0.11	0.28	4.25	31.77
Deletions	-	-	(5.25)	-	-	-	-	(5.25)
Translation difference	-	0.23	0.47	0.01	0.00	0.00	0.10	0.82
As at March 31, 2020	-	25.64	53.29	1.97	0.37	0.59	12.28	94.16
Net block								
As at March 31, 2020	-	88.56	272.99	5.97	0.22	1.31	27.15	396.20
As at March 31, 2019	-	88.21	200.82	2.06	0.17	0.71	31.11	323.06



Navam Lanka Limited

Notes forming part of the financial statements

Note 3 - Loans

(Rs. In lacs)

Particulars	As at March 31, 2020	As at Mar 31, 2019
(a) Non current, Unsecured, considered good		
Security deposits	6.74	6.66
Total (a)	6.74	6.66

Note 4 - Other assets

(Rs. In lacs)

Particulars	As at March 31, 2020	As at Mar 31, 2019
(a) Current		
Advances to vendors	13.23	0.12
Advances to employees	0.36	1.13
Prepaid expenses	10.39	7.13
Prepaid lease (leasehold land)	-	0.06
Prepaid lease (leasehold land) shown in PPE	-0.04	-
Others (amount deposited with Government authorities)	18.82	18.56
Total	42.76	27.00

Note 5 - Inventories

(Rs. In lacs)

Particulars	As at March 31, 2020	As at Mar 31, 2019
a) Raw materials and bought out components	132.97	71.19
b) Goods-in-transit	-	16.39
c) Work-in-progress	157.04	247.36
d) Finished goods (other than those acquired for trading)	214.48	160.51
e) Stores and spares	102.13	111.49
f) Consumables	29.45	26.19
Total	636.07	633.13

Note 6 - Trade receivables

(Rs. In lacs)

Particulars	As at March 31, 2020	As at Mar 31, 2019
Unsecured, considered good	699.13	507.79
	699.13	507.79

Note 7 - Cash and cash equivalents

(Rs. In lacs)

Particulars	As at March 31, 2020	As at Mar 31, 2019
(a) Cash and cash equivalents		
Balances with banks		
-on current accounts	65.16	12.98
Cash on hand	2.99	2.56
Total	68.16	15.54



Navam Lanka Limited

Notes forming part of the financial statements

Note 8 - Equity Share

Particulars	As at March 31, 2020	As at Mar 31, 2019
Authorised		
8,96,344 Equity Shares of LKR 100 each	896.34	896.34
	896.34	896.34
Issued, subscribed and fully paid up		
8,96,344 Equity Shares of LKR 100 each	409.63	409.63
Total	409.63	409.63

Note 9 - Provisions

Particulars	(Rs. In lacs)	
	As at March 31, 2020	As at Mar 31, 2019
Long - term		
Provision for gratuity (net)	26.81	24.62
Provision for compensated absences	3.88	1.87
Total	30.69	26.49

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

Particulars	(Rs. In lacs)	
	As at March 31, 2020	As at Mar 31, 2019
Secured		
Loans repayable on demand		
From banks		
Cash credit / overdraft	672.62	412.71
Total	672.62	412.71

Note 11 - Trade payables

Particulars	(Rs. In lacs)	
	As at March 31, 2020	As at Mar 31, 2019
Outstanding dues to Micro and Small enterprises (refer note 35)	-	-
Outstanding dues to parties other than Micro and Small enterprises	43.94	101.75
	28.79	61.45
	7.59	11.65
	7.56	28.65
Total	43.94	101.75



Navam Lanka Limited

Notes forming part of the financial statements

Note 12 - Other Liabilities

(Rs. In lacs)

Particulars	As at March 31, 2020	As at Mar 31, 2019
Current		
Advance received from customers	10.63	-
Advance received from Customer-related party	-	-
Contractually reimbursable expenses to related parties	2.51	-
Other payables	-	-
Statutory remittances*	0.03	0.04
Total	13.17	0.04

Note 13 - Tax Liabilities (Net)

(Rs. In lacs)

Particulars	As at March 31, 2020	As at Mar 31, 2019
Tax liabilities		
Provision for taxation	9.89	55.51
Total	9.89	55.51

Note 14 - Revenue from operations

(Rs. In lacs)

Particulars	For the period ended March 31, 2020	For the period ended Mar 31, 2019
Sale of products (including excise duty)		
Manufactured goods	5,559.96	5,936.91
Scrap Sales	2.93	4.01
Revenue from operations	5,562.90	5,940.91

Note 15 - Other income

(Rs. In lacs)

Particular	For the period ended March 31, 2020	For the period ended Mar 31, 2019
Miscellaneous income	-	0.04
Total	-	0.04



Navam Lanka Limited

Notes forming part of the financial statements

Note 16 - Cost of material consumed

(Rs. In lacs)

Particulars	For the period ended	For the period ended
	March 31, 2020	Mar 31, 2019
Raw materials and bought out components consumed	4,264.13	4,551.86
	4,264.13	4,551.86

Note 17 - Changes in inventory of finished goods, work-in-progress and stock-in-trade

(Rs. In lacs)

Particulars	For the period ended	For the period ended
	March 31, 2020	Mar 31, 2019
Opening stock		
Finished goods	160.51	262.96
Work-in-progress	247.36	61.98
Stock-in-trade	-	-
Less: Closing stock		
Finished goods	214.48	160.51
Work-in-progress	157.04	247.36
Stock-in-trade	-	-
Net increase/ (decrease) in inventory of finished goods, work-in-progress and stock-in-trade	36.35	-82.93
	36.35	-82.93

Note 18 - Employee benefits expense

(Rs. In lacs)

Particulars	For the period ended	For the period ended
	March 31, 2020	Mar 31, 2019
Salaries and wages	170.15	196.33
Contribution to provident and other funds	12.09	11.56
Staff welfare expenses	15.93	14.65
Total	198.17	222.54

Note 19 - Finance cost

(Rs. In lacs)

Particulars	For the period ended	For the period ended
	March 31, 2020	Mar 31, 2019
Interest costs on		
Borrowings	19.99	10.50
Lease liabilities	5.18	-
Total	25.17	10.50



Navam Lanka Limited

Notes forming part of the financial statements

Note 20 - Depreciation and amortisation expense

(Rs. In lacs)

Particulars	For the period ended	For the period ended
	March 31, 2020	Mar 31, 2019
Depreciation of Property, Plant and Equipment	31.76	29.48
Amortisation of intangible assets	0.41	0.43
Depreciation of Right of use property	1.32	-
Total	33.49	29.91

Note 21 - Other expenses

(Rs. In lacs)

Particulars	For the period ended	For the period ended
	March 31, 2020	Mar 31, 2019
Power and fuel	29.39	33.20
Rates and taxes	-	1.43
Legal and professional	3.58	2.91
-Plant & machinery	72.80	86.07
-Buildings	7.12	8.72
-Others	7.62	7.02
Freight and forwarding	29.86	29.29
Travelling and conveyance	10.81	10.78
Insurance	1.59	1.68
Rent	3.13	7.17
Lease prepayment amortisation	-	0.06
Sales commission	15.74	27.36
Advertising and sales promotion	2.08	1.84
Communication	2.01	1.80
Training and recruitment	-	0.01
Printing and stationery	0.83	0.70
Donations and contributions	0.04	3.89
Payment to auditors	1.02	1.02
Written off/provision for doubtful trade receivables, loans and ac	5.79	-
Net loss on foreign currency transactions and translation	-36.50	-13.75
Loss on property plant and equipment discarded/scrap/written o	12.97	17.41
Expenditure on Corporate Social Responsibility	1.34	-
Bank charges	7.38	18.25
Vehicle hire expenses	-	2.18
Vehicle Running Expenses	2.51	3.14
Miscellaneous expenses	9.49	9.14
Total	190.59	261.32



Navam Lanka Limited

Notes forming part of the financial statements

Note 22 - Tax expense

(Rs. In lacs)

Particulars	For the period ended Mar 31, 2020	For the period ended Mar 31, 2019
Current Tax		
Current tax expense	108.76	136.75
Total	108.76	136.75

