



Swarnkar & Co

Chartered Accountants

**Independent Auditor's Report
Prepared for Consolidation Purposes**

From: Swarnkar & Co.

Subject: Component Audit of Gravita Peru SAC for the year ended 31st March, 2021

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 **Gravita Peru SAC** as at 31st March 2021, 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.



S-4, Jai Hanuman Plaza, Laxmi Colony, Near Stadium Sanganer, Jaipur (Raj) 302029

Mob. +91-9928939819 | Email id: swarnkarandco@gmail.com



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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 **Gravita Peru SAC** as of **31st March, 2021** 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 **Gravita Peru SAC** as of *31st March 2021*, 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: 16-05-2021

UDIN: 21424940AAAACZ4205



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Mob. +91-9928939819 | Email id: swarnkarandco@gmail.com

Gravita Peru SAC
Balance sheet As at Mar 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			
Capital work-in-progress		-	23.20
Current assets			
Cash and cash equivalents	1	1.50	1.64
Total Assets		1.50	24.84
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	2	7.34	7.34
Other equity	3	(22.37)	(0.24)
Liabilities			
Current liabilities			
Financial Liabilities			
Trade payables	4	16.53	17.74
Total Equity and Liabilities		1.50	24.84


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

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


Deepak Kumar Swarnkar
(Proprietor)
M.No. 424940
Place: Jaipur
Date: 16-05-2021



For and on behalf of the Board of Directors


Vijendra Singh
(Director)

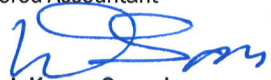
Gravita Peru SAC
Statement of profit and loss For the period ended on Mar 31, 2021

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

Particulars	Note	For the period ended on March 31, 2021	For the period ended on March 31, 2020
I Revenue from operations		-	-
II Total income (I + II)		-	-
III Expenses:			
(a) Other expenses	5	22.44	-
Total expenses (III)		22.44	-
IV Loss before tax (III - IV + V)		(22.44)	-
V Tax expense:			
(a) Current tax		-	-
(b) Deferred tax charge		-	-
VI Loss for the year (IV - V)		(22.44)	-
VII Other comprehensive income (OCI)			
(a) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		0.30	0.32
Other comprehensive income		0.30	0.32
VIII Total comprehensive loss for the year (VI + VII)		(22.14)	0.32

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

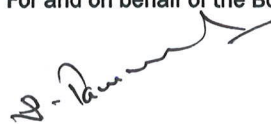
For Swarnkar & Co
Firm Reg. No.- 025928C
Chartered Accountant


Deepak Kumar Swarnkar
(Proprietor)
M.No. 424940

Place: Jaipur
Date: 16-05-2021



For and on behalf of the Board of Directors


Vijendra Singh
(Director)

Gravita Peru SAC
Statement of changes in equity for the period ended March 31, 2021

Particulars	Other equity			Total
	Reserves and Surplus in Statement of Profit and Loss	Other equity		
		Foreign currency translation reserve	Items of OCI	
Balance as at April 1, 2019	-	(0.56)	(0.56)	
1 Profit for the year	-	-	-	
2 Other comprehensive income for the year, net of income tax	-	0.32	0.32	
Total comprehensive income for the year	-	0.32	0.32	
Balance as at March 31, 2020	-	(0.24)	(0.24)	
1. Profit for the year	(22.44)	-	(22.44)	
2. Other comprehensive income for the year, net of income tax	-	0.30	0.30	
Balance as at March 31, 2021	(22.44)	0.06	(22.38)	

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

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



Deepak Kumar Swarnkar
(Proprietor)
M.No. 424940

Place: Jaipur
Date: 16-05-2021



For and on behalf of the Board of Directors



Vijendra Singh
(Director)

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

Note 1 - General Information and Significant Accounting Policies**Note 1.1 - General Information**

Gravita Peru SAC is a company incorporated in Peru, having registered office in Peru and having principal place of business in Peru itself. Currently the company is in development phase and as of now only market research activities are going for setting up plant for manufacturing.

Note 1.3 - Significant Accounting Policies**I. Basis of preparation and presentation**

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.

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 Company 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 measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

All the amounts included in the financial statements are reported in Lacs of Indian Rupees ('Rupees' or '₹'), and are rounded to the nearest Lacs except per share data and unless stated otherwise.

II Property, Plant and Equipment

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

III. Foreign Currency Transactions

The functional currency of the Company is Indian rupee. Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognised as income / expense in the period in which they arise.

IV 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 liabilities**: The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts.

Trade Payable: These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition. Trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.



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

V 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 and intangible assets** : 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) **Trade Receivable**:- The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 90 days past due. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

(iii) **Revenue Recognition**:- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the control of products/services has been transferred or not. The Company considers indicators such as how customer obtains benefits as products are dispatched or whether customer has obtained legal title to the products or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

VI Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and which are subject to an insignificant risk of changes in value.

VII Operating Cycle

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



Gravita Peru SAC
Notes forming part of the financial statements

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

Note 1 - Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with banks on current accounts	1.50	1.64
Total	1.50	1.64

Note 2 - Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
33000 equity shares of 1 PEN each	33 PEN	-
	33 PEN	-
Issued, subscribed and fully paid up		
33000 equity shares of 1 PEN each	7.34	7.34
Total	7.34	7.34

Note 4 - Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding dues to parties other than Micro and Small enterprises	16.53	17.74
	16.53	17.74

Note 5 - Other expense

Particulars	As at March 31, 2021	As at March 31, 2020
Written off/provision for doubtful trade receivables, loans and advances	22.44	0.00
	22.44	0.00

