



**R Sogani & Associates**  
Chartered Accountants

"Shree Dham"

R-20, Yudhishter Marg, 'C'-Scheme, Jaipur - 302005

Tel: 2222734, 2220735, 2220736

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## **INDEPENDENT AUDITORS' REPORT**

**To The Members of Gravita Infotech Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of GRAVITA INFOTECH LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used





and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and cash flow dealt with by this report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.





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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
**(BHARAT SONKHIYA)**  
**PARTNER**  
**Membership No: 403023**

**Place : Jaipur**

**Date : 10 MAY 2016**



**R Sogani & Associates**  
Chartered Accountants

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**ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF GRAVITA INFOTECH LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Gravita Infotech Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is 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 issued by the Institute of Chartered Accountants of India. 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 its business, including adherence to 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 Companies Act, 2013.

**Auditors’ Responsibility**

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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**





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Chartered Accountants

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A company's internal financial control 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 control over financial reporting includes 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

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



**(BHARAT SONKHIYA)**

**PARTNER**

**Membership No: 403023**

**Place : Jaipur**

**Date : 10 MAY 2016**



**ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT ON THE  
ACCOUNTS OF GRAVITA INFOTECH LIMITED FOR THE YEAR ENDING 31<sup>ST</sup>  
MARCH, 2016**

As required by the Companies (Auditor's report) Order, 2016 issued by the Central Government of India in terms of section 143(1) of the Companies Act, 2013, we report that:

1. In respect of fixed assets:

- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (B) The details regarding physical verification of fixed assets have been provided to us by the management.
- (C) As informed to us, title deeds of immovable properties are held in the name of the Company

2. In respect of its inventories:

The details regarding physical verification of inventories has been provided to us by the management.

3. According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured, to companies, firms and other parties covered in the register maintained under section 2 of clause (76) of Companies Act, 2013.

4. No loan has been given to any person as mentioned under Section 185 and 186





of the Companies Act 2013.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any relevant provisions of the Companies Act, 2013 and the rules made there under.
6. In respect of cost records:  

We have been explained that the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 for the period under review for any of the products.
7. In respect of statutory dues:
  - (A) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees’ State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
  - (B) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty were in arrears as at the end of the financial year for a period of more than six months from the date they became payable.
8. In respect of repayment of dues:  

The Company has not taken any of the loan from financial institution. Therefore this clause is not applicable.





9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year. Therefore this clause is not applicable.
10. According to the information and explanations provided to us we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In respect of managerial remuneration:  
According to the information and explanations given to us we report that no managerial remuneration has been paid throughout the year.
12. In respect of Nidhi Company:  
The Company is not a Nidhi Company. Therefore this clause is not applicable to the Company.
13. In respect of related parties:  
All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.
14. In respect of preferential allotment / private placement of shares:  
The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
15. In respect of Non-cash transactions with directors:  
The Company has not entered into any non-cash transactions with directors or persons connected with him.







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16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.

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

  
**(Bharat Sonkhiya)**  
**Partner**  
**M. No. 403023**

**Place: Jaipur**  
**Date:**

**10 MAY 2016**

**GRAVITA INFOTECH LIMITED**  
(CIN- U51109RJ2001PLC016924)  
(Formerly known as Gravita Exim Ltd.)  
501, Rajputana Tower, A-27B, Shanti Path, Tilak Nagar Jaipur , Rajasthan  
Balance Sheet as at 31 March, 2016

(Amount in Rs)

| PARTICULARS                    | Note | As at<br>31 March, 2016 | As at<br>31 March, 2015 |
|--------------------------------|------|-------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                         |                         |
| <b>Shareholder's Funds</b>     |      |                         |                         |
| Share Capital                  | 1    | 2,000,000               | 2,000,000               |
| Reserves & Surplus             | 2    | 35,782,343              | 40,669,929              |
|                                |      | <b>37,782,343</b>       | <b>42,669,929</b>       |
| <b>Non-Current Liabilities</b> |      |                         |                         |
| Long Term Borrowings           | 3    | -                       | -                       |
| Deferred Tax Liability (net)   | 4    | 1,056,431               | 1,056,431               |
| Long Term Provisions           | 5    | 243,300                 | 76,927                  |
|                                |      | <b>1,299,731</b>        | <b>1,133,358</b>        |
| <b>Current Liabilities</b>     |      |                         |                         |
| Trade Payables                 | 6    | 892,967                 | 584,372                 |
| Other Current Liabilities      | 7    | 20,966,213              | 38,564                  |
| Short Term Provisions          | 8    | 3,031,928               | 3,025,776               |
|                                |      | <b>24,891,108</b>       | <b>3,648,712</b>        |
|                                |      |                         |                         |
| <b>TOTAL</b>                   |      | <b>63,973,184</b>       | <b>47,451,999</b>       |
| <b>ASSETS</b>                  |      |                         |                         |
| <b>Non-Current Assets</b>      |      |                         |                         |
| <b>Fixed Assets</b>            |      |                         |                         |
| Tangible Assets                | 9    | 16,270,406              | 17,419,720              |
| CWIP                           |      | -                       | 820,294                 |
| Non-Current Investments        | 10   | 2,756,750               | 3,088,148               |
| Long Term Loans and Advances   | 11   | 728,958                 | 1,608,156               |
|                                |      | <b>19,756,114</b>       | <b>22,936,318</b>       |
| <b>Current Assets</b>          |      |                         |                         |
| Current Investments            | 12   | 28,604,560              | 22,208,806              |
| Inventories                    | 13   | 2,549,956               | 7,850                   |
| Trade Receivables              | 14   | 5,056,272               | 19,278                  |
| Cash and Bank Balances         | 15   | 3,596,006               | 1,768,367               |
| Short Term Loans and Advances  | 16   | 4,407,276               | 511,380                 |
| Other Current Assets           | 17   | 3,000                   | -                       |
|                                |      | <b>44,217,070</b>       | <b>24,515,681</b>       |
|                                |      |                         |                         |
| <b>TOTAL</b>                   |      | <b>63,973,184</b>       | <b>47,451,999</b>       |

Significant Accounting Policies and  
Notes to Financial Statements

A  
1 - 32

For & on behalf of the board of Directors

For R Sogani & Associates  
Chartered Accountants

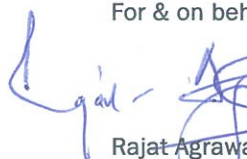

Firm Reg. No.: 018755C

  
Bharat Sonkhya  
Partner

M, No:- 403023

Place: Jaipur

Date: 10 MAY 2016

   
Rajat Agrawal      M.P. Agarwal  
(DIN- 00855284)      (DIN- 00188179)  
(Director)                      (Director)



**GRAVITA INFOTECH LIMITED**  
(CIN- U51109RJ2001PLC016924)  
(Formerly known as Gravita Exim Ltd.)  
501, Rajputana Tower, A-27B, Shanti Path, Tilak Nagar Jaipur , Rajasthan  
Profit & Loss Statement for the Period ended on 31st March, 2016

(Amount in Rs)

| PARTICULARS  | Note | For the period ended on<br>31st March 2016 | For the period ended on<br>31st March 2015 |
|--|------|--|--|
| <b>Income</b>  |      |  |  |
| Revenue from Operations  | 18   | 29,236,149                                 | 8,712,394                                  |
| Other Income   | 19   | 3,255,101                                  | 1,352,753                                  |
| <b>Total revenue (I)</b>   |      | <b>32,491,250</b>                          | <b>10,065,146</b>                          |
| <b>EXPENSES</b>  |      |  |  |
| Cost of Material Consumed  | 20   | 21,468,029                                 | 386,048                                    |
| Purchase of Stock In Trade   | 21   | -  | -  |
| Change in Inventory of Finished Goods, WIP & Stock In Trade            | 22   | (2,542,106)                                | 1,939,254                                  |
| Employee Benefit Expenses  | 23   | 13,785,152                                 | 624,161                                    |
| Finance costs  | 24   | 51,956                                     | 1,992,907                                  |
| Depreciation and Amortisation Expense                                  |      | 1,954,613                                  | 2,906,570                                  |
| Other Expenses   | 25   | 2,661,192                                  | 12,538,433                                 |
| <b>Total (II)</b>  |      | <b>37,378,836</b>                          | <b>20,387,373</b>                          |
| <b>Profit Before Exceptional, Extraordinary Items &amp; Tax (I-II)</b> |      | <b>(4,887,586)</b>                         | <b>(10,322,227)</b>                        |
| Less: Exceptional Items  |      | -  | -  |
| <b>Profit Before Extraordinary Items &amp; Tax</b>                     |      | <b>(4,887,586)</b>                         | <b>(10,322,227)</b>                        |
| Add: Extraordinary Items   |      |  |  |
| Prior Period Item  |      | -  | -  |
| <b>Profit Before Tax</b>   |      | <b>(4,887,586)</b>                         | <b>(10,322,227)</b>                        |
| <b>Less: Tax Expense</b>   |      |  |  |
| Current tax expense relating to prior years                            |      | -  | -  |
| Current Tax  |      | -  | -  |
| Deferred Tax   |      | -  | -  |
| <b>Profit /(Loss) for the period</b>                                   |      | <b>(4,887,586)</b>                         | <b>(10,322,227)</b>                        |
| Prior Period Income Tax Written Back                                   |      | -  | -  |
| <b>Amount Available for Appropriation</b>                              |      | <b>(4,887,586)</b>                         | <b>(10,322,227)</b>                        |
| <b>Earning per Equity Share</b><br>(Face Value ` 10 each)              | 26   |  |  |
| Basic EPS  |      | (24.44)                                    | (51.61)                                    |
| Diluted EPS  |      | (24.44)                                    | (51.61)                                    |

Significant Accounting Policies and  
Notes to Financial Statements



A  
1 - 32

For & on behalf of the board of Directors

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

Bharat Sonkhiya  
Partner  
M, No:- 403023  
Place: Jaipur  
Date: 10 MAY 2016



  
  
 Rajat Agrawal (DIN- 00855284) (Director)  
 M.P. Agarwal (DIN- 00188179) (Director)



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(CIN- U51109RJ2001PLC016924)  
(Formerly known as Gravita Exim Ltd.)

501, Rajputana Tower, A-27B, Shanti Path, Tilak Nagar Jaipur , Rajasthan  
Notes to the Financial Statements for the period ended 31st March,2016

(Amount in Rs)

| Particulars  | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
| <b>1 Share Capital</b>   |           |           |
| Authorized Share Capital<br>200,000 Equity Shares of ₹ 10/- each                           | 2,000,000 | 2,000,000 |
| Issued, Subscribed & Paid up Capital<br>200,000 Equity Shares of ₹ 10/- each fully Paid-up | 2,000,000 | 2,000,000 |
|  | 2,000,000 | 2,000,000 |

1.1 Reconciliation of the shares outstanding is set out below:

|                                      | No. of Shares<br>As At<br>31 March, 2016 | Amount<br>As At<br>31 March, 2016 | No. of Shares<br>As At<br>31-Mar-15 | Amount<br>As At<br>31-Mar-15 |
|--------------------------------------|--|-----------------------------------|-------------------------------------|------------------------------|
| Equity shares                        |  |                                   |                                     |                              |
| At the beginning of the Year         | 200,000                                  | 2,000,000                         | 200,000                             | 2,000,000                    |
| Issued during the year               | -  | -                                 | -                                   | -                            |
| Equity Shares at the end of the year | 200,000                                  | 2,000,000                         | 200,000                             | 2,000,000                    |

1.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a face value of ₹ 10 per share. Each Equity share holder is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

1.3 Shares held by the holding/ultimate holding company and/or their subsidiaries/associates: -

|   | March 31, 2016 |           | March 31, 2015 |           |
|---|----------------|-----------|----------------|-----------|
|   | No. of share   | % holding | No. of share   | % holding |
| Equity Shares of ₹ 10 each fully paid-up<br>Gravita India Limited (Holding Co.) | 200,000        | 100%      | 200,000        | 100%      |

1.4 Details of shareholders holding more than 5% shares in the company

|   | March 31, 2016 |           | March 31, 2015 |           |
|---|----------------|-----------|----------------|-----------|
|   | No. of shares  | % holding | No. of shares  | % holding |
| Equity Shares of ₹ 10/- each fully Paid-up<br>Gravita India Limited (Holding Co.) | 200,000        | 100%      | 200,000        | 100%      |

**2 Reserves and Surplus**

Surplus/(Deficit) in the statement of Profit and Loss

|                              | 31-Mar-16   | 31-Mar-15    |
|------------------------------|-------------|--------------|
| Opening Balance              | 40,669,929  | 51,028,739   |
| Profit & (Loss) for the year | (4,887,586) | (10,322,226) |
| Appropriation                | -           | (36,584)     |
| Total Reserves and Surplus   | 35,782,343  | 40,669,929   |

**3 Long Term Borrowings**

|  | Non-current portion |                | Current Maturities |           |
|--|---------------------|----------------|--------------------|-----------|
|  | March 31, 2016      | March 31, 2015 | 31-Mar-16          | 31-Mar-15 |
| Unsecured<br>Loan from Gravita India Limited | -                   | -              | -                  | -         |

**4 DEFERRED TAX LIABILITY (NET)**

Particulars

Deferred tax liability on:

Accelerated depreciation

|                          | 31-Mar-16 | 31-Mar-15 |
|--------------------------|-----------|-----------|
| Accelerated depreciation | 1,056,431 | 1,056,431 |
|                          | 1,056,431 | 1,056,431 |

**5 Long Term Provision**

Provision for Gratuity

|                        | 31-Mar-16 | 31-Mar-15 |
|------------------------|-----------|-----------|
| Provision for Gratuity | 243,300   | 76,927.00 |
|                        | 243,300   | 76,927    |

**6 Trade Payables**

Trade Payables other than Micro & small enterprises #

|   | 31-Mar-16 | 31-Mar-15 |
|---|-----------|-----------|
| Trade Payables other than Micro & small enterprises # | 892,967   | 584,372   |
|   | 892,967   | 584,372   |

# Based on the information available with the company, no suppliers has been identified, who is registered under the Micro, Small & Medium Enterprise Development Act, 2006. Further, the Company has not received any claim of interest from any supplier under the said Act.

**7 Other Current Liabilities**

Payable to related Parties  
Statutory remittances \*

|                            | 31-Mar-16  | 31-Mar-15 |
|----------------------------|------------|-----------|
| Payable to related Parties | 20,309,817 | -         |
| Statutory remittances *    | 656,396    | 38,564    |
|                            | 20,966,213 | 38,564    |

\* It includes contribution to Provident Fund & ESIC, Withholding taxes, Work contract tax, Sales Tax, Service Tax & professional tax.



8 Short Term Provisions

Provisions for Employee Benefits Plan

Leave Encashment  
Provision for Income Tax (net of advance tax)

|   | 31-Mar-16        | 31-Mar-15        |
|---|------------------|------------------|
| Leave Encashment                              | 195,350          | 19,868           |
| Provision for Income Tax (net of advance tax) | 2,836,578        | 3,005,908        |
|   | <u>3,031,928</u> | <u>3,025,776</u> |

10 Non Current Investments

Long term  
(At cost as reduced by diminution in value)

10.1 Investment in equity investments (unquoted)

10.1.1 Trade investment in Associates

Navam lanka Ltd  
358475 (Nil) Equity Shares of 100 LKR each fully paid up

10.1.2 Non -trade investment in Associates

Pearl Landcorn Pvt. Ltd.  
5,000 (5,000) Equity Share of ` 10 each fully paid up

10.1.3 Trade Investments in Equity Instruments (unquoted)

Gravita Mozambique LDA  
2,86,161 (2,86,161) Equity Share of MZM 1.091 each fully paid up

10.1.4 Non -trade Investments in Equity Instruments (unquoted)

Gravita Infra Private Ltd  
3,900 ( 3,900) Equity Shares of Rs.10 each fully paid up  
Less: Provision for diminution in the value of investment

Gravita Energy Ltd  
100 (100 ) Equity Share of Rs.10 each fully paid up  
Less: Provision for diminution in the value of investment

Noble buildestate Pvt Ltd  
10 (10) Equity Share of Rs.10 each fully paid up

10.2 Trade investment in Partnership Firms (unquoted)

Gravita Metals

Gravita Metal Inc

Gravita Infotech (Formerly know as Gravita Technomech)

Recycling Infotech LLP

10.3 Other Investments (unquoted)

NSC (Pledge with Sales Tax Department)

|  | 31-Mar-16        | 31-Mar-15        |
|--|------------------|------------------|
|  |                  |                  |
|  | 50,000           | 50,000           |
|  | -                | 429,398          |
|  | -                | 39,000           |
|  | -                | (39,000.00)      |
|  | -                | 1,000            |
|  | -                | (1,000)          |
|  | 3,750            | 3,750            |
|  | 2,000,000        | 2,000,000        |
|  | 500,000          | 500,000          |
|  | 102,000          | 102,000          |
|  | 98,000           | -                |
|  | 3,000            | 3,000.00         |
|  | <u>2,756,750</u> | <u>3,088,148</u> |

Details of Investments in Partnership Firm

Investment in Gravita Metals (Formerly known as K.M. Udyog)

Name of the Partner and Share in Profits (%)

Gravita Exim Ltd

Gravita India Ltd

Total Fixed Capital of Firms

|  | 31-Mar-16         | 31-Mar-15         |
|--|-------------------|-------------------|
|  | 5                 | 5                 |
|  | 95                | 95                |
|  | <u>40,000,000</u> | <u>40,000,000</u> |

Investment in Gravita Metal Inc

Name of the Partner and Share in Profits (%)

Gravita India Ltd

Gravita Exim Ltd

Total Fixed Capital of Firms

|  | 31-Mar-16         | 31-Mar-15         |
|--|-------------------|-------------------|
|  | 95                | 95                |
|  | 5                 | 5                 |
|  | <u>10,000,000</u> | <u>10,000,000</u> |

11 Long Term Loans & Advances

11.1 Security Deposit

Unsecured and Considered Good

Total

11.2 Others

Unsecured and Considered Good

Total

Total

|  | 31-Mar-16      | 31-Mar-15        |
|--|----------------|------------------|
|  | 460,352        | 456,130          |
|  | <u>460,352</u> | <u>456,130</u>   |
|  | 268,606        | 1,152,026        |
|  | <u>268,606</u> | <u>1,152,026</u> |
|  | <u>728,958</u> | <u>1,608,156</u> |

12. Current Investments

12.1 Trade investment in Partnership Firms (unquoted)

Recycling Infotech LLP

Gravita Metals

Gravita Metal Inc

Gravita Infotech (Formerly know as Gravita Technomech)

|  | 31-Mar-16         | 31-Mar-15         |
|--|-------------------|-------------------|
|  | (2,455)           | -                 |
|  | 23,538,577        | 17,790,488        |
|  | 4,036,577         | 515,086           |
|  | 1,031,861         | 3,903,232         |
|  | <u>28,604,560</u> | <u>22,208,806</u> |



|   | 31-Mar-16          | 31-Mar-15          |
|---|--------------------|--------------------|
| <b>13 Inventories</b><br>(At Lower of cost and Net Realisable Value )   |                    |                    |
| Stock In Trade  | 2,549,956          | 7,850              |
| Raw Material And Components   | -                  | -                  |
|   | <u>2,549,956</u>   | <u>7,850</u>       |
|   |                    |                    |
|   | 31-Mar-16          | 31-Mar-15          |
| <b>14 TRADE RECEIVABLES</b><br>Outstanding for a period exceeding six months from the date they are due for payment |                    |                    |
| 14.1 Unsecured and Considered Good  | 7,047,683          | 2,005,431          |
| Less: Provision for doubtful debtors  | 1,991,411          | 1,991,411          |
| Total (A)   | <u>5,056,272</u>   | <u>14,020</u>      |
| Other receivables   |                    |                    |
| 14.2 Unsecured and Considered Good  |                    | 5,258              |
| Total (B)   | -                  | <u>5,258</u>       |
| Total (A + B)   | <u>5,056,272</u>   | <u>19,278</u>      |
|   |                    |                    |
|   | 31-Mar-16          | 31-Mar-15          |
| <b>15 CASH AND CASH EQUIVALENT</b>  |                    |                    |
| Balances with Banks:  |                    |                    |
| On Current Accounts   | 462,937            | 745,951            |
| On Deposits   | 1,697,460          | 455,543            |
| Cash on hand  | 11,791             | 566,873            |
| Cheques on hand/Remittances in transit  | 1,423,818          | -                  |
|   | <u>3,596,006</u>   | <u>1,768,367</u>   |
|   |                    |                    |
|   | 31-Mar-16          | 31-Mar-15          |
| <b>16 Short Term Loans &amp; Advances</b><br>(Unsecured and considered good)  |                    |                    |
| 16.1 Security deposit   |                    |                    |
| Unsecured and Considered Good   | -                  | -                  |
| Total (A)   | -                  | -                  |
| 16.1 Advance Receivables from Related Parties   |                    |                    |
| Unsecured and Considered Good   | -                  | 71,520             |
| Total (A)   | -                  | <u>71,520</u>      |
| 16.2 Advances recoverable in cash or in kind  |                    |                    |
| Unsecured and Considered Good   | 12,171,890         | 7,998,904          |
| Less: Provision for doubtful advances   | 7,788,378          | 7,788,378          |
| Total (B)   | <u>4,383,512</u>   | <u>210,526</u>     |
| 16.4 Inter corporate deposits   |                    |                    |
| Unsecured and Considered Good   | -                  | -                  |
| Total (C)   | -                  | -                  |
| 16.3 Other loans and advances   |                    |                    |
| Prepaid Expenses  | 17,736             | 32,593             |
| Loan & Advance to employees including Imprest*  | (909)              | 174                |
| Balances with Statutory/Government Authorities  | 6,937              | 196,567            |
| Total (C)   | <u>23,764</u>      | <u>229,334</u>     |
| Total (A+ B + C)  | <u>4,407,276</u>   | <u>511,380</u>     |
|   |                    |                    |
|   | 31-Mar-16          | 31-Mar-15          |
| <b>17 OTHER CURRENT ASSETS</b>  |                    |                    |
| Accrued Interest  | 3,000              | -                  |
|   | <u>3,000.00</u>    | -                  |
|   |                    |                    |
|   | For the year ended | For the year ended |
|   | 31st March, 2016   | 31st March, 2015   |
| <b>18 REVENUE FROM OPERATIONS</b>   |                    |                    |
| Sale of Products  | 18,615,124         | 3,387,961          |
| Sale of Services  | 7,699,940          | -                  |
| Other operating revenue   | -                  | -                  |
| Export Incentive  | -                  | -                  |
| Income from Partnership Firms   | 2,921,085          | 5,324,433          |
| Revenue from operations   | <u>29,236,149</u>  | <u>8,712,394</u>   |
|   |                    |                    |
|   | For the year ended | For the year ended |
|   | 31st March, 2016   | 31st March, 2015   |
| <b>19 OTHER INCOME</b>  |                    |                    |
| Interest Income on  |                    |                    |
| Bank deposits   | 105,543            | 39,106             |
| Customer & others   | 814,072            | 243,830            |
| Foreign Exchange Gain/(Loss)  | 184,212            | -                  |
| Income from Sales of Fixed Asset  | 210,340            | -                  |
| Income on Sale of Investment  | 994,420            | 4,952              |
| Rent Income   | 871,800            | 976,800            |
| Other Non-operating Income (W/off)  | -                  | 78,256             |
| Over Rights Commission Receivable   | 22,841             | -                  |
| Income from Commission /Brokerage   | 1,350              | -                  |
| Income from FMS license   | 50,523             | 9,809              |
| Dividend Income From Subsidiary   | -                  | -                  |
|   | <u>3,255,101</u>   | <u>1,352,753</u>   |
|   |                    |                    |
|   | For the year ended | For the year ended |
|   | 31st March, 2016   | 31st March, 2015   |
| <b>20 Cost of Raw Material and Consumables Consumed</b>   |                    |                    |
| Opening Stock   |                    |                    |



|  |  |  |
|--|--|--|
| Add: Purchases   | 21,468,029                             | 386,047.50                             |
| Add: Direct Expenses   | -                                      | -                                      |
| Less: Closing stock of Materials   | -                                      | -                                      |
|  | <u>21,468,029.00</u>                   | <u>386,047.50</u>                      |
|  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
| 21 Item wise Details of Purchase of Stock in Trade<br>Trading of turnkey products and parts                | -                                      | -                                      |
|  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
| 22 Change in Stock in Trade During the Year<br>Opening Stock   | 7,850                                  | 1,947,104                              |
| Less: Closing stock  | <u>2,549,956</u>                       | <u>7,850</u>                           |
|  | <u>(2,542,106)</u>                     | <u>1,939,254</u>                       |
|  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
| 23 <u>Employee Benefits Expenses</u><br>Salaries, wages, bonus etc.  | 13,099,845                             | 582,829                                |
| Contribution to Provident and Other Fund   | 547,674                                | 26,097                                 |
| Staff Welfare Expenses   | 137,633                                | 15,235                                 |
|  | <u>13,785,152</u>                      | <u>624,161</u>                         |
|  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
| 24 <u>Finance Costs</u><br>Interest Charges  |  |  |
| - Borrowings   | -                                      | 1,991,557                              |
| - Others *   | 51,956                                 | 1,350                                  |
|  | <u>51,956</u>                          | <u>1,992,907</u>                       |
|  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
| 25 <u>Others Expenses</u>  |  |  |
| Power and fuel   | 155,945                                | 137,903                                |
| Rent   | 1,663,060                              | 1,085,597                              |
| Repairs and Maintenance  |  |  |
| Vehicles   | 249,171                                | 135,426                                |
| Buildings  | 3,000                                  | 2,289                                  |
| Equipments & Others  | 19,454                                 | 28,621                                 |
| Insurance Expenses   | 54,881                                 | 62,755                                 |
| Freight and Forwarding Charges(net)  | 27,835                                 | 4,143                                  |
| Travelling and Conveyance Expenses   | 79,773                                 | 220,587                                |
| Legal and Professional Fees  | 16,946                                 | 64,220                                 |
| Advertising and Sales Promotion  | -                                      | 1,265                                  |
| Communication Expenses   | 47,255                                 | 197,060                                |
| Bad & Doubtful debts   | -                                      | 9,779,789                              |
| Printing and Stationery Expenses   | 13,188                                 | 11,437                                 |
| Payment to auditor:  |  |  |
| Statutory & Tax Audit  | 5,000                                  | (2,000)                                |
| Loss on Sale of Fixed Assets (net)/Discard   | -                                      | 122,131                                |
| Website Expenses   | 306,692                                | 90,424                                 |
| Bank charges   | -                                      | 88,222                                 |
| Sales commission   | 144,698                                | 5,750                                  |
| Software Subscription Charges  | -                                      | 20,600                                 |
| Office Expenses  | 1,404                                  | 5,289                                  |
| Sales Tax Demand FY2011-12   | -                                      | 1,863                                  |
| Misc Balances Written Off  | 13,000                                 | (1,928)                                |
| Round Off / on   | (7)                                    | (2)                                    |
| Rates and Taxes  | 4,069                                  | -                                      |
| Miscellaneous  | (131,185)                              | -                                      |
| Foreign Exchange Gain Loss   | -                                      | 436,992                                |
| Provision for losses (diminution in value of investments) in subsidiary companies                          | -                                      | 40,000                                 |
|  | <u>2,661,192</u>                       | <u>12,538,433</u>                      |
|  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
| 26 Earnings Per Share (EPS)  |  |  |
| i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders            | (4,887,586)                            | (10,322,227)                           |
| ii) Weighted Average number of equity Shares used as denominator for calculating EPS                       | 200,000                                | 200,000                                |
| iii) Basic and Diluted Earnings per share  | (24)                                   | (52)                                   |
| iv) Face Value per equity Share  | 10                                     | 10                                     |
| 27 Leases  |  |  |
| Total of future minimum lease payments under operating lease for each of the following period are as under | 31-Mar-16                              | 31-Mar-15                              |
| A) Not Later than one Year   | 1,727,533                              | 1,664,270                              |
| B) Later than one year and not later than 5 years  | 7,289,983                              | 7,445,885                              |
| C) Later than 5 years  | 836,443                                | 2,408,075                              |
|  | <u>9,853,960</u>                       | <u>11,518,230</u>                      |

Operating Lease payments recognized in Statements of Profit & Loss amounting to Rs. 10,85,597/- (Previous Year- Rs. 6,91,146/-)



The Company has taken certain assets on Operating Lease agreement with:

**A. Mr. B.S. Tambi**

Major Terms of the agreement as under:

- i. Monthly Lease Rent 24249.00/-
- ii. Tenure of the lease: Lease agreement valid till dated 14th July, 2020 extendable on mutual consent
- iii. Flat No. 201, Rajputana Tower, A-27 B, Shanti Path, Tilak Nagar, Jaipur

**B. Dr. Shyam Sharan Tambi**

Major Terms of the agreement as under:

- i. Monthly Lease Rent 24249.00/-
- ii. Tenure of the lease: Lease agreement valid till dated 14 July, 2020 extendable on mutual consent
- iii. Flat No. 301, Rajputana Tower, A-27 B, Shanti Path, Tilak Nagar, Jaipur

**C. Shri Anil Tambi**

Major Terms of the agreement as under:

- i. Monthly Lease Rent 50000/-
- ii. Tenure of the lease: Lease agreement valid till dated 04th November, 2021 extendable on mutual consent
- iii. Flat No. 502, Rajputana Tower, A-27 B, Shanti Path, Tilak Nagar, Jaipur

**D. Smt Sushila Devi Tambi**

Major Terms of the agreement as under:

- i. Monthly Lease Rent 37500/-
- ii. Tenure of the lease: Lease agreement valid till dated 04th November, 2021 extendable on mutual consent
- iii. Basement of 1810sq. Ft. area & Room of 170 sq. ft.

**28 Segment Reporting**

The company is a one-segment company, offers turnkey solution for Lead acid battery recycling processes & plant. Hence, no further disclosures are required under AS-17, other than those already provided in the financial statements.

**29 Related Party Disclosure**

**a. Holding Company**

Gravita India Limited

**b. Subsidiary Companies**

Nil

**c. Associate Companies**

Pearl Landcon Pvt Limited

**d. Key Management Personnel**

Shri Rajat Agrawal  
Shri Dinesh Kumar Govil  
Shri V. S Tanwar  
Dr. M.P. Agarwal  
Shri Yogesh Mohan Kharbanda

**e. Fellow Subsidiaries**

Noble Build Estate Private Limited

**h. Partnership firms**

M/s Gravita Metals (Formerly known as M/s KM Udyog)  
M/s Gravita Metal Inc (Formerly known as M/s Metal Inc)  
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)  
Recycling Infotech LLP

**i. Other Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:**

Gravita Ghana Limited  
Gravita Senegal S.A.U  
Gravita Global Pte Ltd  
Gravita Netherlands BV  
Navam Lanka Ltd.  
Devonic Ventures Pvt. Ltd.  
Saurabh Farms Limited  
Shah Buildcon Pvt. Limited  
Jalousies India Pvt. Limited  
Surana Professional Services Pvt Limited  
R.Surana & Company  
Surana Associates  
Gravita Nicaragua S.A  
Pearl Landcon Private Limited  
Gravita USA INC  
Gravita Ventuers Ltd.  
Gravita Jamaica

Related Party Transactions - Figures Shown in Bracket related to F. Y. 2015-16





| k. Sale/purchase of goods and services   | Sale of Goods         | Purchase of Goods | Amount Owed by related parties | Amount Owed to related parties |
|--|-----------------------|-------------------|--------------------------------|--------------------------------|
| Holding Company<br>Gravita India Limited | 63,604<br>(2,171,491) | -                 | -                              | 20,309,817                     |
| Other<br>Gravita Senegal SAU             | -                     | -                 | (5,258)                        | -                              |
| Gravita Ghana Limited                    | (278,268)             | -                 | -                              | -                              |

| l. Loans taken and repayment thereof     | Loan Taken   | Repayment    | Interest Accrued | Amount Owed to |
|--|--------------|--------------|------------------|----------------|
| Holding Company<br>Gravita India Limited | (12,172,395) | (49,335,148) | (1,730,300)      | -              |

| m. Remuneration to Key Managerial Personnel/Relative of Key Managerial Personnel | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
| Mr. Vijendra Singh Tanwar<br>Salary, Bonus and Contribution to PF                | -         | -         |
| Total  | -         | -         |

| n. Other Transaction with Related Parties/Key Managerial Personnel/Relative of Key Managerial Personnel | 31-Mar-16 | 31-Mar-15 |
|---|-----------|-----------|
| Gravita Infotech (Investment Closing Balance)   | 102,000   | 102,000   |
| Gravita Mozambique (disinvestment Made)   | (429,398) | -         |
| Saurabh Farms Limited (Rent Paid including Electricity)   | 34,200    | 28,600    |
| Noble Build Estate Private Limited (Investment Closing Balance)   | 3,750     | 3,750     |
| Gravita India Limited (Rent Income)   | 840,000   | 840,000   |
| Gravita Metal (Rent Income)   | 28,800    | 136,800   |
| Recycling Infotech (investment Made)  | 98,000    | -         |
| Mr. Dinesh Kumar Govil (Sale of Laptop)   | 30,000    | -         |

| 30 Contingent Liabilities | 31-Mar-16 | 31-Mar-15 |
|---------------------------|-----------|-----------|
| Nil                       | -         | -         |

31 Loans and advances in the nature of advances given to/(from) subsidiaries and associates and firms/companies in which directors are interested

| Particulars                                  | March 31, 2016  |             | March 31, 2015  |             |
|--|-----------------|-------------|-----------------|-------------|
|  | Closing Balance | Maximum o/s | Closing Balance | Maximum o/s |
| Gravita Mozambique LDA                       | -               | -           | -               | -           |
| Gravita Metals                               | -               | 28,800      | (7,200)         | 72,000      |
| Gravita Metal Inc                            | -               | -           | -               | -           |
| Gravita Nicaragua SA                         | -               | 53,790      | -               | 55,600      |
| Gravita Trinidad & Tobago                    | -               | -           | -               | 2,700       |
| Gravita Infotech (formerly known as Gravita) | -               | 1,619,552   | -               | 1,703,982   |
| Gravita Ghana Limited                        | -               | -           | -               | -           |
| Gravita Senegal                              | -               | 6,689       | 910             | 921         |
| Navam Lanka Limited                          | -               | -           | -               | -           |

| Particulars           | March 31, 2016  |                     | March 31, 2015  |                     |
|-----------------------|-----------------|---------------------|-----------------|---------------------|
|                       | Closing Balance | Maximum Outstanding | Closing Balance | Maximum Outstanding |
| Gravita India Limited | 20,309,817      | 27,043,995          | 70,610          | 7,352,259           |

32 The previous year figures have been shown in bracket and regrouped/reclassified, wherever necessary to conform to the current year presentation.

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

Bharat Sonkhya  
Partner  
M. No.- 403023  
Place: Jaipur  
Date:



For & on behalf of the Board of Directors

Rajat Agrawal  
(DIN-00855284)  
(Director)



**GRAVITA INFOTECH LIMITED**  
(CIN- U51109RJ2001PLC016924)  
(Formerly known as Gravita Exim Ltd.)  
501, Rajputana Tower, A-27B, Shanti Path, Tilak Nagar Jaipur , Rajasthan  
Cash Flow Statement for the Period ended on 31st March, 2016

(Amount in ₹)

| Particulars  | As on 31 March, 2016 | As on 31 March, 2015 |
|--|----------------------|----------------------|
| <b>(A) NET CASH FLOW FROM OPERATING ACTIVITES</b>                        |                      |                      |
| Net Profit after tax   | (4,887,586)          | (10,322,226)         |
| Appropriation of Profits   | -                    | (36,584)             |
| Deffered Tax   | -                    | (14,259)             |
| Depreciation of current year   | 1,954,613            | 2,906,570            |
| Interest Paid  | 51,956               | 1,991,557            |
| Interest Received  | (105,543)            | (39,106)             |
| Income from Partnership Firms  | (2,921,085)          | (5,324,433)          |
| Income from sale of fixed Assets   | (210,340)            | -                    |
| Net gain on sale of current investments                                  | (994,420)            | (4,952)              |
| <b>Cash Flow from operating activites before working capital changes</b> |                      |                      |
| Increase/ (Decrease) in inventories                                      | (2,542,106)          | 1,939,254            |
| Increase /(Decrease) in debtors  | (5,036,994)          | 3,727,272            |
| Increase /(Decrease) in long term loans and advances                     | 879,198              | 210,071              |
| Increase /(Decrease) in Short loan & advances                            | (3,895,896)          | 20,747,293           |
| Decrease in Other Current Liabilities                                    | 20,927,649           | (40,755,019)         |
| Increase /(Decrease) in Trade Payables                                   | 308,596              | (277,302)            |
| increase /(Decrease) in other current assets                             | (3,000)              | 931,803              |
| increase /(Decrease) in Long term Provisions                             | 166,373              | 76,010               |
| increase /(Decrease) in Short term Provisions                            | 6,152                | (108,329)            |
| <b>Net Cash Flow From Operating Activites</b>                            | <b>3,697,566</b>     | <b>(24,352,380)</b>  |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                           |                      |                      |
| Purchase of Fixed Assets   | (74,663)             | (1,565,623)          |
| Interest Received  | 105,543              | 39,106               |
| Investment in -  |                      |                      |
| Partnership Firms  | (6,064,356)          | (17,289,036)         |
| Others   | (1,241,917)          | (65,986)             |
| Gain on Sales of Investment  | 994,420              | 4,952                |
| Disinvestment  | -                    | 40,549,000           |
| Dividend Income  | -                    | -                    |
| Proceed from Fixed Assets  | 300,000              | 173,992              |
| Income from Partnership Firms  | 2,921,085            | 5,324,433            |
| <b>Net Cash Flow From Investing Activities</b>                           | <b>(3,059,888)</b>   | <b>27,170,838</b>    |
| <b>(C) NET CASH FLOW FROM FINANCING ACTIVITIES</b>                       |                      |                      |
| Proceeds of Borrowings   | -                    | -                    |
| Interest Paid  | (51,956)             | (1,991,557)          |
| Bank Commission /Charges Paid  | -                    | -                    |
| <b>Net cash flow from Finanicng Activities</b>                           | <b>(51,956)</b>      | <b>(1,991,557)</b>   |
| <b>Increase in cash and cash equivalent Total (A+B+C)</b>                | <b>585,723</b>       | <b>826,901</b>       |
| Add: Opening cash  | 1,312,824            | 485,923              |
| <b>Closing cash</b>  | <b>1,898,546</b>     | <b>1,312,824</b>     |

As per our report of even date

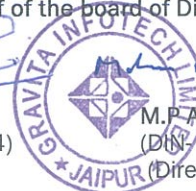
For R Sogani & Associates  
Chartered Accountants  
Firm Reg. No.:- 018755C

  
Bharat Sonkhiya  
Partner  
M, No:- 403023  
Place: Jaipur  
Date: 10 MAY 2016



For & on behalf of the board of Directors

  
Rajat Agrawal  
(DIN- 00855284)  
(Director)



  
M.P. Agarwal  
(DIN: 00188179)  
(Director)

(CIN- U51109RJ2001PLC016924)

(Formerly known as Gravita Exim Ltd.)

501, Rajputana Tower, A-27B, Shanti Path, Tilak Nagar Jaipur , Rajasthan

## A. Significant Accounting Policies

### I. Basis Of Preparation Of Financial Statement

#### a) Basis Of Accounting

The Financial Statements Of The Company Have been Prepared In Accordance With Generally Accepted Accounting Principals In India ('Indian GAAP') To Comply With the Accounting Standards Notified under the Companies (Accounting Standards) Rules, 2006 (as amended) And relevant provision of the Companies act, 2013. The Financial Statements of the Enterprise Have been prepared by applying principals of going concern. The Company follows on accrual basis under the historical cost convention. Accounting policies unless specifically mentioned or referred otherwise are consistent & in accordance with the Accounting Standards.

#### b) Use Of Estimates

The preparation of Financial statement are in conformity with Indian generally accepted accounting principles (GAAP) 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. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future result could differ due to those estimates and the difference between the actual results and the estimates are recognized in the periods in which the result are known/materialize.

### II. Valuation of Inventory

Inventories are valued at the lower of cost (moving weighted average)and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost include all charges in bringing the goods to the point of sale and other levies, transit insurance and receiving charges. Work In progress and finished goods include appropriate proportion of overheads.

### III. Cash Flow Statement

The Cash flow statement has been Prepared under The 'indirect Method" as Set Out in Accounting Standard 3 on cash flow statement.

### IV. Tangible Fixed Assets

Fixed Assets Are Carried at cost less Accumulated depreciation and impairment loss,if any. The cost of fixed asset includes all incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance. All Other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and Cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or Losses arising from de-recognition of fixed assets are measured as the difference between net disposal proceeds and the carrying amount of asset and Are recognized in the statement of profit and loss when the asset is derecognized.

### V. Intangible Fixed Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, If Any.

### VI. Depreciation

Depreciation is charged using straight - line method based on the rates specified in accordance with the provision of Schedule II of the Companies Act, 2013. Depreciation is charged On Pro-Rata Basis for assets Purchased / Sold during the year. Intangible assets comprising of computer software which has been written off over the period of license. Individual assets costing less than rs. 5,000 /- Have been fully depreciated in the year of purchase on pro rata basis.

### VII. Revenue Recognition

Sale and operating income includes sale of products, services, and export incentives etc. sales are recognized, Net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. The company collects Sales Tax and VAT on behalf of Government and therefore, these are not economics benefits flowing to the Company. Hence, these are Excluded from the revenue. Profit from partnership Firms Which are in the same line of operations is considered as operating Income.

#### Other Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable. Rent Income is booked as per terms of contracts.

### VIII. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange provided by RBI prevailing on the date of the transactions. Monetary items denominated in foreign currencies at the yearend are restated at year end rates declared by RBI. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rates at the day of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Exchange Differences arising on the settlement of monetary items or on restatement of the company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### IX. Investment

Current Investments are carried individually, at the lower of cost and quoted/fair value. Cost of investment includes acquisition charges such as brokerage, fees and duties. Long term Investment are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.



Short-term employee benefits are recognized as an expenses at the undiscounted amount in the statement of profits and loss of the year in which the related service is rendered. Post employment and other long term employee benefits are recognized as an expenses in the statement of profit and loss for the year in which the employee has rendered services.

#### XI. Borrowing Cost

Borrowing Costs include interest, fees and other charges incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. A Qualifying asset is one that necessarily takes substantial period of time to get ready for intended use . all other borrowing costs are charged to profit and loss account.

#### XII.Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with accounting standard - 20 on earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity share outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effect of all dilutive potential equity shares, except where the results are anti -dilutive.

#### XIII. Taxes

Current year's tax amount of tax payable on the taxable income for the year is determined in accordance with the provisions of the income Tax Act, 1961. Deferred tax is recognized on timing difference, being the differences between the taxable income and the accounting income that originate in one period and are capable for reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient Future taxable income will be available against which these can be realized. However, if there is unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable Right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

#### XIV.Impairments of Assets

An Asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its amount is reduced to the recoverable amount and the reduction if any is recognized as an impairment loss in the profit and loss amount.

#### XV. Provisions and contingencies

A Provision is recognized when the company has a present obligation as a result of past event and it is Probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (Excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate require to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

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

Bharat Sonkhiya  
Partner  
M, No:- 403023

Place: Jaipur

Date: 10 MAY 2016

For & on behalf of the Board of Directors

Rajat Agrawal  
(DIN- 00855284)  
(Director)



M.P. Agarwal  
(DIN-00188179)  
(Director)

Note- 9

| FA Group                    | Opening Gross Block<br>(As on 1.04.15) | Additions during<br>the period | Sale/ Adjustments | Closing Gross Block (As on 31.03.16) | Opening Accumulated<br>depreciation | Dep During the<br>period | Depreciation on<br>adjustment | Total Depreciation | Closing Net Block (As<br>on 31.03.15) | Closing Net Block (As<br>on 31.03.16) |
|-----------------------------|--|--------------------------------|-------------------|--------------------------------------|-------------------------------------|--------------------------|-------------------------------|--------------------|---------------------------------------|---------------------------------------|
| Buildings                   | 10,239,119                             | 534,238                        | -                 | 10,773,357                           | 818,493                             | 163,777                  | -                             | 982,270            | 9,420,626                             | 9,791,087                             |
| Computer                    | 1,422,335                              | 31,500                         | -                 | 1,453,835                            | 1,310,392                           | 14,212                   | -                             | 1,324,604          | 111,943                               | 129,231                               |
| Electronic Equipments       | 3,679,786                              | 39,000                         | -                 | 3,718,786                            | 1,540,468                           | 445,769                  | -                             | 1,986,237          | 2,139,318                             | 1,732,549                             |
| Furniture & Fixture         | 4,037,180                              | 290,220                        | -                 | 4,327,400                            | 1,569,859                           | 335,239                  | -                             | 1,905,098          | 2,467,321                             | 2,422,302                             |
| Intangible Assets           | 287,367                                | -                              | -                 | 287,367                              | 283,114                             | -                        | -                             | 283,114            | 4,253                                 | 4,253                                 |
| Plant & Machinery           | 56,295                                 | -                              | -                 | 56,295                               | 17,240                              | 4,036                    | -                             | 21,276             | 39,055                                | 35,019                                |
| Vehicles                    | 8,616,211                              | -                              | 1,793,201         | 6,823,010                            | 5,379,007                           | 991,580                  | 1,703,542                     | 4,667,045          | 3,237,204                             | 2,155,965                             |
| Total (A)                   | 28,338,293                             | 894,958                        | 1,793,201         | 27,440,050                           | 10,918,573                          | 1,954,613                | 1,703,542                     | 11,169,644         | 17,419,720                            | 16,270,406                            |
| CWIP                        |  |                                |                   |                                      |                                     |                          |                               |                    |                                       |                                       |
| Building Office - CWIP      | 534,238                                | -                              | 534,238           | -                                    | -                                   | -                        | -                             | -                  | 534,238                               | -                                     |
| Furniture & Fixtures - CWIP | 286,057                                | 4,163                          | 290,220           | -                                    | -                                   | -                        | -                             | -                  | 286,057                               | -                                     |
| Total CWIP (B)              | 820,295                                | 4,163                          | 824,457           | -                                    | -                                   | -                        | -                             | -                  | 820,295                               | -                                     |
| Total Assets (A+B)          | 29,158,588                             | 899,121                        | 2,617,658         | 27,440,050                           | 10,918,573                          | 1,954,613                | 1,703,542                     | 11,169,644         | 18,240,014                            | 16,270,406                            |

