INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
SOMANY FINE VITRIFIED PRIVATE LIMITED

Report on the Ind As financial statements

We have audited the accompanying Ind As financial statements of **SOMANY FINE VITRIFIED PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2021, the statement of Profit and Loss, the Cash Flow Statement for the year ended, the statement of changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information. (here in after to As "Financial Statement)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013 ("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, 2021, its profit(loss) including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs),as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind As financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Ind As financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Ind As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act , we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 purposes of our audit;
b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
c. The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
d. In our opinion, the aforesaid standalone Ind As 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 – B.
g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act.
h. 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR FINAVA & COMPANY
Chartered Accountants
Reg. No. 128195W

DATE: 01/06/2021
PLACE: RAJKOT

SHAH PRANAV
PARTNER
M. No. 124274
UDI NO. 21124274AAAASK2537

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT U/S 143(11) AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016 ISSUED BY THE CENTRAL GOVERNMENT OF INDIA

The explanations about the clauses are given below on the basis of verification of the books and records of the company, as we considered appropriate, as also on the basis of the information and explanation given to us.

1. In respect of the Company's Fixed Assets:

    (a) The Company is maintaining proper record showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

    (b) The fixed assets have been physically verified by the management at reasonable intervals during the period covered by our audit, which in our opinion, is reasonable. We are informed that no material discrepancies have been noticed between the book records and physical verification by the management on such verification.

    (c) All the Immovable Properties are held in the name of the Company.

2. In respect of the Company's Inventories:

    The Company us maintain record of inventories and the Inventories have been physically verified by the management during the year and No material discrepancies were notieced, in our opinion, the frequency of verification is reasonable.

3. In respect of the loans granted, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:

    The Company has not granted loans secured or unsecured to parties covered in the register maintained under section 189 of The Companies Act 2013. As company has not granted any such loans, paragraphs (iii) (a) , (b) and (c) of the order are not applicable;

4. In our opinion and according to the information and explanation given to Company has been complied with the provisions of section 185 and 186 of the Company Act 2013 in respect of loans, Investments and guarantees.

5. In our opinion and according to the information and explanation submitted to us and as shown by the books of accounts, the Company has not accepted deposits within the meaning section 73 to 76 or any other relevant provisions of the companies act and rules framed there under where applicable.

6. In our opinion and according to the information and explanation submitted to us, the Central Government has not prescribed any cost records u/s 148(1) of the Companies Act, 2013 and hence the maintenance of cost records does not arise.

7. In respect of statutory dues:

    (a) According to the information and explanations given to us and according to the records as produced and examined by us the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and any other statutory dues, wherever applicable and there were no undisputed statutory dues and arrears as at the date of the balance sheet under report for the period exceeding six months from the date they became payable.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT U/S 143(11) AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016 ISSUED BY THE CENTRAL GOVERNMENT OF INDIA

(b) According to the information and explanations given to us there was no disputed statutory due in respect of Provident fund, ESI, Wealth Tax, Service Tax, Sales Tax, Custom Duty and Excise Duty, etc.

8. Based on the audit procedure and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank. There was no debenture holder at any time during the year.

9. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained. The Company has not raised moneys by way of Public issued during the year.

10. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices followed in India and according to the information and explanations given to us, we have not come across any instances of fraud on or by the company, nor the management, of any such instance being noticed or reported during the year.

11. According to the information and explanations given to us, the managerial remuneration has bee paid accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013 during the year.

12. The Clause of Paragraphs (xii) of Order for Nidhi Company was not applicable to Company.

13. According to the information and explanations given to us, all the transactions with related parties are in compliance with Section 188 and 177 of Companies Act, 2013 and the details disclosed in the Ind As financial statements as required by the Accounting Standards and Companies Act 2013.

14. According to the information and explanations given to us, the Company has not allotment of any Share during the Year.

15. According to the information and explanations given to us, The Company has not entered into any Non Cash transaction with director or persons connected with him during the year.

16. The Clause of Paragraphs (xvi) of Order for Register under section 45-IA was not applicable to Company.

FOR FINAVA & COMPANY
Chartered Accountants
Reg. No. 128195W

DATE: 01/06/2021
PLACE: RAJKOT

SHAH PRANAV
PARTNER
M. No. 124274
UDI NO. 21124274AAAASK2537

SOMANY FINE VITRIFIED PRIVATE LIMITED
STANDALONE BALANCE SHEET AS AT 31st March 2021

ASSETS	Note No.	As at March 31, 2021	As at March 31, 2020
Non-current Assets			
Property, Plant and Equipment	3	2,516.98	2,836.41
Financial Assets			
(i) Other Financial Assets	4	104.08	99.63
		2,621.06	**2,936.04**
Current Assets			
Inventories	5	1,062.31	1,428.30
Financial Assets			
(i) Trade Receivables	6	2,153.89	2,310.85
(ii) Cash and Cash Equivalents	7	31.35	411.10
(iv) Bank Balances other than (iii) above	8	-	-
Other Current Assets	9	74.23	68.94
		3,321.78	**4,219.19**
Total Assets		**5,942.83**	**7,155.23**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	1,500.00	1,500.00
Other Equity	11	767.79	965.28
		2,267.79	**2,465.28**
Liabilities			
Non- current Liabilities			
Financial Liabilities			
(i) Borrowings	12	804.87	1,243.43
(ii) Other Financial Liabilities		-	-
Provisions	13	5.92	4.82
Deferred Tax Liabilities (Net)	14	46.14	122.19
		856.94	**1,370.44**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	15	310.78	-
(ii) Trade Payables	16		
Outstanding dues of Micro Enterprises and Small Enterprises		-	-
Outstanding dues other than Micro Enterprises and Small Enterprises		1,708.15	2,428.54
(iii) Other Financial Liabilities	17	463.28	539.36
Other Current Liabilities	18	335.81	351.57
Provisions	19	0.09	0.05
Current tax Liabilities (net)	20	-	-
		2,818.11	**3,319.52**
Total Equity and liablities		**5,942.83**	**7,155.24**
Significant Accounting Policies and Other Notes on Financials Statements	1 to 38		

The accompanying Notes are an integral part of the Financial Statements.

As per Report of Even date

FINAVA & COMPANY
Chartered Accountants
Firm Reg. No. 128195W

For and on behalf of Board of Directors

(Shah Pranav)			
Partner	(Khushbu Solanki)	(Vasantbhai Ghodasara)	(Anandbhai Ghodasara)
M. No. 124274	**Company Secretary**	Managing Director	Wholetime Director
UDI No.	**ACS 56469**	Din : 03372637	Din : 03372599

Place: Rajkot
Date: 01-06-2021

SOMANY FINE VITRIFIED PRIVATE LIMITED
STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2021

(Rs. in Lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	21	7,631.99	9,897.95
Other Income	22	35.20	22.88
Total Revenue		**7,667.19**	**9,920.83**
Expenses			
Cost of Materials Consumed	23	2,707.13	3,725.58
Purchases of Stock-in-Trade		-	163.14
Change in Inventories of Finished Goods , Work-in-progress and Stock-in-Trade	24	448.92	(287.46)
Excise duty on Sales		-	-
Employee Benefit Expense	25	792.15	798.98
Finance Costs	26	150.37	190.61
Depreciation and Amortization Expense	3	346.94	385.56
Other Expenses	27	3,497.56	4,761.62
Total Expenses		**7,943.07**	**9,738.03**
Profit Before Exceptional and Extraordinary Items and Tax		**(275.88)**	**182.80**
Exceptional Items (Net)		-	
Profit before tax		**(275.88)**	**182.80**
Tax Expense:			
(1) Current Tax		-	30.51
(2) Deferred Tax			
-Deferred Tax Charge/(Credit)		(76.70)	(7.39)
-Mat Credit (Entitlement)/utilisation		-	25.29
Profit for the year		**(199.18)**	**134.39**
Other Comprehensive Income			
(1) Items that will not be reclassifed to profit & loss		2.34	-
Income Tax relating to above		(0.65)	-
Total Comprehensive Income for the year		**(197.49)**	**134.39**
Earnings Per Equity Share (Per Share Value of Rs. 10 each)	28		
Basic		**(1.32)**	**0.90**
Diluted		**(1.32)**	**0.90**
Significant Accounting Policies and Other Notes on Financials Statements	1 to 38		

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

FINAVA & COMPANY
Chartered Accountants
Firm Reg. No. 128195W

For and on behalf of Board of Directors

(Shah Pranav)
Partner
M. No. 124274
UDI No.
Place: Rajkot
Date: 01-06-2021

(Khushbu Solanki)
Company Secretary
ACS 56469

(Vasantbhai Ghodasara)
Managing Director
Din : 03372637

(Anandbhai Ghodasara)
Wholetime Director
Din : 03372599

SOMANY FINE VITRIFIED PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2021 **(Rs. in Lakhs)**

		For the year ended	
		March 31, 2021	**March 31, 2020**
A.	**Cash Flow From Operating Activities**		
	Net Profit Before Tax & Exceptional Items As Per Statement Of Profit & Loss	(275.88)	182.79
I.	Adjusted For :		
	Depreciation & Amortisation Expense & Loss On Sales of Assets	346.94	385.56
	Interest and Finance Charges	150.37	190.61
	Interest Income	(35.20)	(22.88)
	(Profit)/Loss on sale / Discard of Fixed Assets/ Assets written off (net)	-	9.23
	Operating Profit Before Working Capital Changes	**186.23**	**745.32**
II.	Adjusted For :		
	Trade & Other Receivable	147.22	724.55
	Inventories	366.00	(204.25)
	Trade & Other Payable	(739.41)	514.93
	Cash Generated from Operation	(39.96)	1,780.55
	Income Taxes Refund /(paid)	-	(47.34)
	Net Cash Flow From Operating Activities (A)	**(39.96)**	**1,733.22**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets (including CWIP)	(27.50)	(118.41)
	Sale of Fixed Assets	-	12.92
	Change in Payable for Fixed Assests	6.09	(4.11)
	Interest Income	35.20	22.88
	Net Cash Outflow From Investing Activities (B)	**13.79**	**(86.72)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long Term Borrowings	(438.56)	(180.50)
	Short Term Loans Borrowings (net)	310.78	(685.47)
	Proceeds from Redemption of Preference Share	-	(231.00)
	Interest Paid	(226.45)	(149.99)
	NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	**(354.23)**	**(1,246.96)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(380.40)**	**399.54**
	Opening		
	Cash & Cash Equivalent	411.10	11.55
		411.10	11.55
	Closing		
	Cash & Cash Equivalent	31.35	411.10
		31.35	411.10

Notes :

a) Cash & Cash Equivalents represents cash and bank balances.(Note No.7)

b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.

c) For reconciliation of change in financial activity refer note no. 37

As per our report of even date

FINAVA & COMPANY
Chartered Accountants
Firm Reg. No. 128195W

(Shah Pranav)
Partner
M. No. 124274
UDI No.
Place: Rajkot
Date: 01-06-2021

For and on behalf of Board of Directors

(Vasantbhai Ghodasara)
Managing Director
Din : 03372637

(Anandbhai Ghodasara)
Wholetime Director
Din : 03372599

(Khushbu Solanki)
Company Secretary
ACS 56469

SOMANY FINE VITRIFIED PRIVATE LIMITED

STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st March, 2021

(Rs. in Lakhs)

(a) Equity Share Capital

	As at 31th March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Changes in equity share capital during the year				
Balance at the end of the reporting period	**1,50,00,000**	**1,500.00**	**1,50,00,000**	1,500.00

	Reserves and Surplus			
	Capital Redemption Reserve	Retained earnings	Remeasurement of defined benefit plans	Total
Balance at the beginning of the reporting period	**469.00**	**361.88**		**830.88**
				-
Profit for the year	-	134.39	-	134.39
Other comprehensive income/ (loss) for the year	-	-		-
Total comprehensive income for the year	**-**	**134.39**	**-**	**134.39**
Transfer to Capital Redemption Reserve	231.00	(231.00)		-
Balance at 31 March 2020	**700.00**	**265.27**	**-**	**965.27**
Balance at the beginning of the reporting period	**700.00**	**265.27**	**-**	**965.27**
Profit for the year	-	(199.18)	-	(199.18)
Other comprehensive income for the year			1.69	1.69
Total comprehensive income for the year	**700.00**	**66.10**	**1.69**	**767.79**
				-
Transfer to Capital Redemption Reserve	-	-	-	-
Balance at 31st March 2021	**700.00**	**66.10**	**1.69**	**767.79**

As per our report of even date

FINAVA & COMPANY
Chartered Accountants
Firm Reg. No. 128195W

For and on behalf of Board of Directors

(Shah Pranav)			
Partner			
M. No. 124274	**(Khushbu Solanki)**	**(Vasantbhai Ghodasara)**	**(Anandbhai Ghodasara)**
UDI No.	**Company Secretary**	**Managing Director**	**Wholetime Director**
Place: Rajkot	**ACS 56469**	**Din : 03372637**	**Din : 03372599**
Date: 01-06-2021			

1 Corporate and General Information

Somany Fine Vitrified Pvt. Ltd. referred to as “the Company” is domiciled in India. The registered office of the Company is at 8 A National Highway, Sartanpar, Matel Road, India having a tile manufacturing plant in Morbi (Gujarat).

The financial statements of the company for the year ended 31st March 2021 were authorized for issue in accordance with a resolution of the directors on June 01, 2021.

2 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of preparation

The standalone financial statements of Somany Fine Vitrified Pvt. Ltd. (“the Company”) comply in all material aspects with Indian Accounting Standards (“Ind AS”) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis. Further, fiancial Assets and Liabilities are remeasured at fair value at each reporting date, whenever applicable.

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 take 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.

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 company 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.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee (‘INR’), which is the Company’s functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of Property, Plant and Equipments.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:
- Expected to be realised/settled (liabilites) or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss , if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation on fixed assets is calculated on Write down value Method using the rates arrived at estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognisation

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

2.7 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 3 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

2.8 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.9 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till the period the said assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.10 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the except exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.11 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund (with Government Authorities) and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

2.12 Revenue Recognition

The Company recognises revenue from sale of goods when;
i) effective control of goods alongwith the significant risk and rewards of ownership has been transferred to the buyer;
ii) the amount of revenue can be measured reliably;
iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and
iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

2.13 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Bases on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.15 Measurement of fair value

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

(a) Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Derecognition of financial assets

A financial asset or a part of a financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments,* which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.16 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company.

2.19 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116, 'Lease' which will replace the existing standards Ind-AS 17, which is applicable from April 01, 2019.

2.20 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

2.21 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2021

SOMANY FINE VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

3. Property, Plant and Equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March 2019	Additions	Deletions	As at 31 March 2020	As at 31st March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2020	As at 31st March 2019
Tangible Assets										
Freehold land	55.37	-	-	55.37	-		-	-	55.37	55.37
Building	585.32	14.41	-	599.73	143.98	42.79	-	186.77	412.95	441.33
Plant and equipment	3,699.62	63.34	29.52	3,733.44	1,149.49	307.04	9.43	1,447.10	2,286.34	2,550.13
Vehicles	145.92	37.90	8.70	175.12	73.43	33.16	6.63	99.96	75.16	72.49
Furniture and fixtures	12.52	2.00	-	14.52	6.78	1.90	-	8.68	5.84	5.74
Office Equipment	4.07	0.76	-	4.83	3.41	0.66	-	4.08	0.75	0.65
Assets under Finance Lease										
Vehicles #				-				-	-	-
Leasehold land				-				-	-	-
Total	4,502.81	118.41	38.22	4,582.99	1,377.09	385.56	16.06	1,746.58	2,836.41	3,125.72
Capital work-in-progress				-				-	-	-
Total	**4,502.81**	**118.41**	**38.22**	**4,582.99**	**1,377.09**	**385.56**	**16.06**	**1,746.58**	**2,836.41**	**3,125.72**

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March 2020	Additions	Deletions	As at 31 March 2021	As at 31st March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2021	As at 31st March 2020
Tangible Assets										
Freehold land	55.37	-	-	55.37	-		-	-	55.37	55.37
Building	599.73	2.99		602.72	186.77	39.51	-	226.29	376.43	412.95
Plant and equipment	3,733.44	15.18		3,748.62	1,447.10	270.69	-	1,717.79	2,030.83	2,286.34
Vehicles	175.12			175.12	99.96	31.19	-	131.14	43.98	75.16
Furniture and fixtures	14.52	1.74		16.26	8.68	1.80	-	10.48	5.78	5.84
Office equipments	4.83	7.59		12.42	4.08	3.75	-	7.82	4.60	0.75
Total	**4,582.99**	**27.50**	**-**	**4,610.50**	**1,746.58**	**346.94**	**-**	**2,093.52**	**2,516.98**	**2,836.41**

1. Assets pledged and Hypothecated against borrowings:
   i. The above assets are subject to charge with the bank as security for the loan facilities availed by the company.
   ii. Car loan from Banks and others are secured by hypothecation of cars purchased.

Additional disclosure as per previous GAAP
Property, plant and equipment - Gross book value and net book value as per previous GAAP

Particulars	As at 31 March 2020			As at 31 March 2021		
	Gross Block	Accumulated depreciation	Net Block	Gross Block	Accumulated depreciation	Net Block
Tangible Assets						
Freehold land	55.37	-	55.37	55.37	-	55.37
Building	743.71	330.76	412.95	746.70	370.27	376.43
Plant and equipment	4,882.92	2,596.58	2,286.34	4,898.10	2,867.27	2,030.83
Vehicles	248.55	173.38	75.16	248.55	204.57	43.98
Furniture and fixtures	21.29	15.46	5.84	23.03	17.26	5.78
Office equipments	8.24	7.49	0.75	15.83	11.24	4.60
Total	**5,960.08**	**3,123.67**	**2,836.41**	**5,987.59**	**3,470.61**	**2,516.98**

SOMANY FINE VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

		As At March 31, 2021	As At March 31, 2020
4	**Other Non-Current Financial Assets**		
	(Unsecured, Considered Good Unless Stated Otherwise)		
	Bank Deposit (Pledge with Government Department)	15.65	15.09
	Fixed Deposits held as Margin Money with Banks/ Financial institutions	88.23	84.34
	Security Deposit with Government Department	0.20	0.20
		104.08	**99.63**
5	**Inventories**		
	(Valued at Lower of Cost and Net Realisable Value)		
	(As taken, Valued and Certified by the Management)		
	Raw Materials & Packing Material	278.75	246.56
	Work -in-Progress	102.75	0.40
	Finished Goods	575.32	1,126.59
	Stores and Spares and Fuel	105.49	54.75
		1,062.31	**1,428.30**
a.	Inventories are hypothecated to secure short-term borrowings. Refer to Note 17		
6	**Trade Receivables**		
	Unsecured		
	Considered Good	2,153.89	2,310.85
	Have Significant increase in Credit Risk		
	Considered Doubtful - Credit Impaired	-	-
		2,153.89	2,310.85
	Less: Allowances for credit losses	-	-
		2,153.89	**2,310.85**
a.	Including Rs.2151.42 Lakhs as on 31-Mar-21 (Rs. 2309.52 Lakhs as on 31-Mar-20) receivable from related parties.		
b.	Trade Receivables are hypothecated to secure short-term borrowings. Refer to Note 15		
c.	Trade Receivables are generally non-interest bearing and are genenrally on terms of 60 to 90 days.		
7	**Cash & Cash Equivalents**		
	(As certified by the management)		
	Balance with Banks :		
	Current Accounts	3.97	400.22
	Cash in Hand	27.38	10.88
		31.35	**411.10**
8	**Other Bank Balances**		
	Earmarked Balance with Banks		
	Bank Deposit (Pledge with Government Department)	15.65	15.09
	Less:- Shown Under "Other Financial Assets"(More than 12 months)	15.65	15.09
	Other Bank Balance		
	Fixed Deposits held as Margin Money with Banks/ Financial institutions	88.23	84.34
	Less:- Shown Under "Other Financial Assets"(More than 12 months)	88.23	84.34
		-	-
9	**Other Current Assets**		
	Prepaid Expenses	6.70	3.87
	Other Advances	14.85	15.49
	Balance with Government Authorities*	52.68	49.58
		74.23	**68.94**

* Mainly includes CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, GST Receivable etc and claims with direct and indirect tax authorities.

SOMANY FINE VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

		As At March 31, 2021	As At March 31, 2020
10	**Equity Share Capital**		
	Authorised		
	Equity Shares 15,000,000 (March 31, 2020-15,000,000) of Rs.10 /- each	1,500.00	1,500.00
	Issued, Subscribed and Paid up		
	Equity Shares 15,000,000 (March 31, 2020-15,000,000) of Rs 10/- each fully paid up	1,500.00	1,500.00
		1,500.00	**1,500.00**

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proporation to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Number of Shares
Share outstanding in the begaining of the year	1,50,00,000	1,50,00,000
Equity Shares issued during the year in consideration for cash		
Equity Shares bought back during the year		
Share outstanding at the end of the year	**1,50,00,000**	**1,50,00,000**

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

Vasantkumar L. Ghodasara	15,56,250	15,56,250
Alpaben Vasantbhai Patel	15,56,250	15,56,250
Somany Ceramics Ltd.	76,50,000	76,50,000
	1,07,62,500	**1,07,62,500**

11	Other Equity		
	Capital Redemption Reserve		
	Balance at the beginning of the year	700.00	469.00
	Addition/ (Transfer) during the year	-	231.00
	Closing balance	700.00	700.00
	Retained earnings		
	Balance at the beginning of the year	265.28	361.88
	Transfer from Statement of Profit and Loss	(199.18)	134.39
	Amount available for appropriation	66.10	496.28
	Less : Appropriation:		
	Transfer to Capital Redemption Reserve	-	231.00
	Remeasurement of defined benefit plans		
	Balance at the beginning of the year	-	-
	Addition/ (Transfer) during the year	1.69	-
	Closing balance	1.69	-
	Closing Balance	67.79	265.28
	Total of Reserves & Surplus	**767.79**	**965.28**

SOMANY FINE VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As At March 31, 2021	As At March 31, 2020
12 Borrowings		
Secured		
Term Loans		
- From Banks	520.83	937.50
Car Loans		
- From Banks	26.13	48.02
Unsecured Loans:		
From Body Corporate/Promoter	700.00	700.00
	1,246.96	**1,685.52**
Less: Current Maturities of Long Term Borrowings		
Term loans		
- From Banks	416.67	416.67
Car Loans		
From Banks	25.42	25.42
	442.09	**442.09**
	804.87	**1,243.43**

Notes

1 Rupee Loan of Rs. 520.83 Lakhs as on 31/03/2021 (Rs. 937.50 Lakhs as on 31/03/2020 and) from a Bank is secured by exclusive charge on movable and immovable fixed assets and current assets of the company both present and future and also personal guarantee of promoters. The said loan is repayable in 9 equal quarterly installments.

2 Car loan from Banks and others are secured (charged created/ to be created)by hypothecation of cars purchased there under and are repayable in monthly installments over the period of loan.

3 As per the bank loan sanction requirements unsecured loan has been brought in by the directors and/or Promoters of the Company. These amounts will be repaid once the loan is fully repaid or as may be mutually agreed between the Company and the bank

	As At March 31, 2021	As At March 31, 2020
13 Provisions		
Employees Benefits	5.92	4.82
	5.92	**4.82**

14 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at 31st March 2020	Reocgnised in P&L	OCI	As at 31st March 2021
Deferred Tax Assets				
Others (Provision for Gratuity)	1.34	0.97	(0.65)	**1.66**
Others (Carried Forwad Loss)		70.04		**70.04**
MAT Credit Entitlement	6.98	(0.00)		6.98
Sub- Total (a)	**8.32**	**71.01**	**(0.65)**	**78.68**
Deferred Tax Liabilities				
Property, plant and equipment	130.52	(5.69)		124.83
Other Intangible assets	-			-
Others	-			-
Sub- Total (b)	**130.52**	**(5.69)**	**-**	**124.83**
Net Deferred Tax Liability (b)-(a)	**122.19**	**(76.70)**	**0.65**	**46.14**

	As at 01st April 2019	Reocgnised in P&L	As at 31st March 2020
Deferred Tax Assets			
Others (Provision for Gratuity)	-	1.34	1.34
MAT Credit Entitlement	32.27	(25.29)	6.98
Accrued expenses	-		-
Sub- Total (a)	**32.27**	**(23.95)**	**8.32**
Deferred Tax Liabilities			
Property, plant and equipment	136.56	(6.05)	130.52
Other Intangible assets	-		-
Others	-		-
Sub- Total (b)	**136.56**	**(6.05)**	**130.52**
Sub- Total (c)	**-**	**-**	**-**
Net Deferred Tax Liability (b)-(a) + ©	**104.29**	**17.90**	**122.19**

	As At March 31, 2021	As At March 31, 2020

B. Amounts recognised in profit or loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current year	-	**30.51**
	-	**30.51**
Deferred tax expense		
Origination and reversal of temporary differences	(76.70)	17.90
	(76.70)	17.90
Total Tax Expense	**(76.70)**	**48.41**

C. Reconciliation of effective tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax from continuing operations	(275.88)	182.80
Tax using the Company's domestic tax rate @27.82% (Previous Year @ 27.82%)	(76.75)	50.87
Tax effect of:		
Non-deductible expenses	0.05	1.17
Tax-exempt income		
Tax incentives		
Changes in estimates related to prior years		
Previously unrecognised deferred tax now recognised	-	(3.62)
At the Effective Income Tax Rate of 27.80% (Previous Year @ 26.48%)	(76.70)	48.41

* The Company has recognised deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The company has concluded that the deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using the estimated future taxable income. The Company is expected to generate taxable income in near future. The MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Company expects to recover the same in due course.

15 Borrowings

Secured Loans:*		
Working Capital Facilities from Banks		
Cash Credit	310.78	-
	310.78	**-**

***Working Capital Facilities from Banks are secured by:**

1 First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu; and

2 Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created.

16 Trade Payables

Outstanding dues of Micro Enterprises and Small Enterprises#	-	-
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,708.15	2,428.54
	1,708.15	**2,428.54**

\# The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Hence the necessary disclosure required under MSME Act, 2006 can not be made. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.

17 Other Financial Liabilities

Current Maturities of Long Term Borrowings	442.09	442.09
Interest Accrued and Due on Borrowings*	21.19	97.27
	-	-
	463.28	**539.36**

*For details of Payable to Related Parties, Refer Note No. 32

18 Other Current Liabilities

Statutory Dues	130.04	60.86
Other Liabilities	205.77	290.71
	335.81	**351.57**

19 Short Term Provision

Proposed Dividend		
Corporate Dividend Tax		
Fringe Benefit Tax		
Employees Benefits	0.09	0.05
	0.09	0.05

20 Current tax Liabilities (net)

Income Tax [Net of Advance of Rs. NIL lakhs as on 31/03/2021(Rs. NIL Lakhs as on 31/03/2020)	-	-
	-	-

SOMANY FINE VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

		For the year ended March 31, 2021	(Rs. In Lakhs) For the year ended March 31, 2020
21	**Revenue from Operations**		
	Sales of Manufactured Goods (tiles)	7,619.49	9,712.53
	Sales of traded goods	-	164.80
	Other operating revenue		
	Scrap Sales	10.26	20.07
	Liabilities No Longer Required Written Back (Net)	2.23	0.56
	Insurance Claim Received	-	-
		7,631.99	**9,897.95**
22	**Other Income**		
	Interest Received	35.20	22.88
	Net Gain on foreign currency translations and transactions	-	-
	Profit on Sale of Fixed Assets	-	-
		35.20	**22.88**
23	**Cost of Materials Consumed**		
	Raw Material Consumed	2,417.60	3,341.28
	Trading Finished Goods Purchase	-	163.14
	Packing Material Consumed	289.54	384.31
		2,707.13	**3,888.72**
24	**Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade**		
	Closing Stock		
	Finished Goods	575.32	1,126.59
	Stock-in-Trade	-	-
	Total Finished Goods	**575.32**	**1,126.59**
	Work-in-Progress	102.75	0.40
		678.07	1,126.99
	Less: Opening Stock		
	Finished Goods	1,126.59	683.95
	Stock-in-Trade	-	-
	Total Finished Goods	**1,126.59**	**683.95**
	Work-in-Progress	0.40	155.58
		1,126.99	839.53
	(Increase)/ Decrease in Stock	448.92	(287.46)
	Add / (Less): (Increase) Decrease in Excise duty on Stock	-	
		448.92	**(287.46)**
25	**Employee Benefit Expense**		
	Salary, Wages, Bonus etc.	772.47	775.98
	Contribution to Provident Fund and Other Funds	4.40	5.02
	Workmen & Staff Welfare	15.28	17.98
		792.15	**798.98**
26	**Finance Cost**		
	Interest	147.06	184.73
	Other Borrowing Cost	3.31	5.88
		150.37	**190.61**

SOMANY FINE VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Rs. In Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
27	**Other Expenses**		
	Stores and Spare Parts Consumed	624.29	787.15
	Power & Fuel	2,800.21	3,888.08
	Repairs and Maintainance:	-	-
	Buildings	-	0.09
	Plant & Machinery	**1.89**	2.69
	Rates & Taxes	0.02	0.02
	Insurance	**9.29**	6.01
	Travelling & Conveyance Expenses	**-**	3.71
	Advertisement & Sales Promotion Expenses	**2.19**	1.00
	Legal & Professional Expenses	**7.03**	3.91
	Loss on Sale of Fixed Assets	-	-
	Other Expenses	52.63	68.85
		3,497.56	**4,761.62**
28	**Earning per share**		
	Total profit for the year	(197.49)	134.39
	Weighted average number of equity shares of Rs. 10/- each	1,50,00,000	1,50,00,000
	EPS - Basic and Diluted (Per share in Rs.)	(1.32)	0.90

		As at 31 March 2021	As at 31 March 2020
29	**Contingent liabilities, contingent assets and commitments**		
A.	**(i) Contingent liabilities (not provided for) in respect of:**		
	1. Claim and other demands against the Company not acknowledged as debts:		
	2. Sales Tax and purchase tax demands, among others against which the Company has preferred appeals		
	3. Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.		
	4. Disputed income tax and wealth tax demand (excluding penalty if any)		
	5. a) On the pending matter of LADT / Entry Tax by the State of Haryana, the Supreme Court of India has upheld the constitutional validity of levy of the said tax but left certain issues to be decided by the High Court of Punjab and Haryana and at the same time allowed all petitioners including the Company to initiate petitions before the said High Court giving factual background and raising specific issues in the matter. Till such time the said High Court disposes of / decides in the matter, the liability on this account, if any remains indeterminate. In view of this no provision on this account is considered necessary by the Management		
	b) Entry Tax matter pending before Hon'ble High Court of Calcutta.		
	6. Demand notice from ESIC'		
	(ii) Bond executed in favour of sales tax/custom authorities.		
	(iii) Custom duty (excluding interest, if any), which may arise if obligation for exports is not fulfilled against import of capital goods under EPCG.		
B.	Outstanding Corporate Guarantee to banks in respect of various fund/non fund based facilities extended to subsidiary/other body corporates.		
A.	**Others**		
	Bank Guarantee in Favour of Gujarat State Petroleum Corporation for purchase of Gas	284.92	284.92
	Bank Guarantee in Favour of Paschim Gujarat Vij Company Ltd. for Purchase of Power	161.65	161.65

(ii) Others Financial Liablities includes encashment of bank guarantee in earlier years provided by a supplier of machinery. The supplier of machinery has challenged the encashment of bank guarantee and the case is pending before Hon'ble High Court of Delhi and Calcutta. pending final decision, no adjustment has been carried out in accounts.

B. Commitments

	31 March 2021	31 March 2020
Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	NIL	NIL

30 Foreign exchange derivatives and exposures outstanding at the year-end:

Name	Amount (In Foreign Currency) 31.03.2021	Amount (In Rs. Lakhs equivalent) 31.03.2021	Amount (In Foreign Currency) 31.03.2020	Amount (In Rs. Lakhs equivalent) 31.03.2020
Open Exposures				
Payables	$0.64	47.17	$0.52	39.05

31 Employee benefits

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended 31 March 2021	31 March 2020
Contribution to Provident Fund	4.40	5.02

Contributions to Provident and other Funds' of the Statement of Profit & Loss includes Rs. 4.40 lakhs (Previous year Rs. 5.02 lakhs) towards contribution to Provident Fund.

(ii) Defined Benefit Plan:

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its

Particulars	March 31, 2021 Defined benefit obligation	March 31, 2021 Fair value of plan assets	March 31, 2021 Net defined benefit (asset)/ liability	March 31, 2020 Defined benefit obligation	March 31, 2020 Fair value of plan assets	March 31, 2020 Net defined benefit (asset)/ liability
Opening Balance	4.87		4.87			
Included in profit & loss						
Current service cost	3.15		3.15	1.51		1.51
Interest cost / (income)	0.33		0.33			-
Past Service Cost including curtailment Gains/(Losses)	-		-	3.36		3.36
	3.49	-	3.49	4.87	-	4.87
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	(2.34)		(2.34)			-
- financial assumptions			-			-
- experience adjustment			-			-
- on plan assets			-			-
	(2.34)	-	(2.34)	-	-	-
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid			-			-
Acquisition adjustment			-			-
	-	-	-	-	-	-
Closing Balance	6.01	-	6.01	4.87	-	4.87

B. Plan assets

Particulars	March 31, 2021	March 31, 2020
Fund managed by insurer	100%	100%
	100%	100%

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	March 31, 2021	March 31, 2020
Discount rate	6.79%	6.80%
Expected rate of future salary increase	5.00%	5.00%
Mortality	IALM(2012-14)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay Rs. _____lakhs (Previous Year Rs. _____lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have

Particulars	March 31, 2021 Increase	March 31, 2021 Decrease	March 31, 2020 Increase	March 31, 2020 Decrease
Discount rate (0.5% movement)	(0.39)	0.44		
Expected rate of future salary increase (0.5% movement)	0.44	(0.40)		

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as

A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.

B) Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.

C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan’s liability.

D) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

32 Related parties Transactions

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	**Relationship**
Vasantbhai Ghodasara	Managing Director
Anandbhai Ghodasara	Whole Time Director
Pratikbhai Ghodasara	Brother of Anandbhai Ghodasara
Pravinaben Ghodasara	Brother's Wife of Anandbhai Ghodasara
Poojaben Ghodasara	Wife of Anandbhai Ghodasara
Mansukhbhai Ghodasar	Father of Anandbhai Ghodasara
Madhuben Ghodasara	Mother of Anandbhai Ghodasara
Alpaben Ghodasara	Wife of Vasanatbhai Ghodasara
Resam Ghodasara	Daughter of Vasanatbhai Ghodasara

ii Holding Company

Somany Ceramics Ltd.

		For the year ended	
B.	**Transactions with the above in the ordinary course of business**	**31 March 2021**	**31 March 2020**
a)	**Payments to Key Managerial Personnel and their relatives**		
	-Remuneration	151.08	151.08
	- Interest	30.50	24.13
	- Loan Received	-	60.70
	- Closing Balance		
	Payable for Remuneration	10.12	10.18
	Payable for Loan	334.22	290.50
	Payable for Interest on Loan	-	43.72

Summary of payment made to KMP

	For the year ended	
Particulars	**31 March 2021**	**31 March 2020**
Short- Term employee benefits	151.08	151.08

		For the year ended	
	Nature of Transactions	**31 March 2021**	**31 March 2020**
b)	**With Holding Companies are as under**		
	Somany Ceramics Ltd.		
	Sales of Goods	7,543.25	9,876.37
	Interest Paid	37.49	25.39
	Loan Received	-	117.81
	- Closing Balance		
	Receivable for Goods	2,151.42	2,309.52
	Payable for Loan	357.00	357.00
	Payable for Interest on Loan	17.29	45.64

(All amounts are in rupees Lakhs, unless otherwise stated)

33 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Trade receivables	-	2,153.89	-	2,310.85
Cash and cash equivalents	-	31.35	-	411.10
Bank balances other than above	-	-	-	-
Others Current		74.23		68.94
Non Current		104.08		99.63
	-	**2,363.55**	**-**	**2,890.52**
Financial liabilities				
Non Current Borrowings	-	804.87	-	1,243.43
Current borrowings	-	310.78		-
Trade payables	-	1,708.15	-	2,428.54
Other current financial liabilities		463.28	-	539.36
	-	**3,287.08**	**-**	**4,211.33**

B. Financial assets and liabilities measured at amortised cost

	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-Current Investment				
Trade receivables	2,153.89	2,153.89	2,310.85	2,310.85
Cash and cash equivalents	31.35	31.35	411.10	411.10
Bank balances other than above	-	-	-	-
Others Current	74.23	74.23	68.94	68.94
Non Current	104.08	104.08	99.63	99.63
	2,363.55	**2,363.55**	**2,890.52**	**2,890.52**
Financial liabilities				
Non Current Borrowings	804.87	804.87	1,243.43	1,243.43
Current borrowings	310.78	310.78	-	-
Trade payables	1,708.15	1,708.15	2,428.54	2,428.54
Other current financial liabilities	463.28	463.28	539.36	539.36
	3,287.08	**3,287.08**	**4,211.33**	**4,211.33**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely. The Management impact analysis shows credit risk and impact assessment as very low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is Rs. 2153.88 Lakhs (31 March 2020 – Rs. 2310.85 Lakhs).

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

	Carrying Amounts 31 March 2021	Contractual cash flows			
		On Demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	804.87			804.87	
Short term borrowings	310.78	310.78			
Trade payables	1,708.15		1,708.15		
Other current financial liabilities	463.28		463.28		
Total Financial liabilities	**3,287.08**	**310.78**	**2,171.43**	**804.87**	**-**

	Carrying Amounts 31 March 2021	Contractual cash flows			
		On Demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	1,243.43			1,243.43	
Short term borrowings	-	-		-	
Trade payables	2,428.54		2,428.54		
Other current financial liabilities	539.36		539.36		
Total Financial liabilities	**4,211.33**	**-**	**2,967.90**	**1,243.43**	**-**

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

v. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The company ensure the exposure is kept to an acceptable level and even consider using forward contracts whenever necessary to address short term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at 31 March 2021	As at 31 March 2020
	USD	USD
Trade payables	0.64	0.52
Net statement of financial position exposure	0.64	0.52

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD 1	71.65	71.68	75.32	69.15

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Rs. InLacs

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (10% movement)	4.80	(4.80)	3.46	(3.46)
31 March 2020				
USD (10% movement)	3.59	(3.59)	2.59	(2.59)

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2021 and 31 March 2020, the Company's borrowings at variable rate were denominated in Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	31 March 2021	31 March 2020
Fixed-rate instruments		
Financial assets	104.08	99.63
Financial liabilities	26.13	48.02
	130.21	147.65
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	1,531.61	1,637.50
	1,531.61	1,637.50

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31 March 2021				
Variable-rate instruments	(7.66)	7.66	(5.53)	5.53
Cash flow sensitivity	**(7.66)**	**7.66**	**(5.53)**	**5.53**
31 March 2020				
Variable-rate instruments	(8.19)	8.19	(5.91)	5.91
Cash flow sensitivity	**(8.19)**	**8.19**	**(5.91)**	**5.91**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

		For the year ended March 31,2021	For the year ended March 31,2020
34	**Payments to Auditors :**		
	Statutory audit fee	6.00	6.00
	Total	**6.00**	**6.00**

35 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

36 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The following table summarises the capital of the Company

Particulars	**31.03.2021**	**31.03.2020**
Equity Share Capital (Note 10)	1,500.00	1,500.00
Other Equity (Note 11)	767.79	965.28
Total Equity	**2,267.79**	**2,465.28**
Non-Current Borrowings (Note 12)	804.87	1,243.43
Current maturities of Non-Current Borrowings (Note 17)	442.09	442.09
Current Borrowings (Note 15)	310.78	-
Total Debts	**1,557.74**	**1,685.52**

37 Changes in Liabilities and Asset from Financing Activities are as under:

Particulars	**31-Mar-21**	**Cash Flow**	**Non- Cash Changes**			**31-Mar-20**
			Obtaining/ losing Control of Subsi./ other Business	**Foreign Exchange Movement**	**Fair Value Movement**	
Long-term borrowings	804.87	(438.56)				1,243.43
Short-term borrowings	752.87	310.78				442.09
Issue of Share Capital	1,500.00	-				1,500.00
Security Premium	-	-				-
Total liabilities from financing activities	**3,057.74**	**(127.78)**				**3,185.52**

38 Covid Note

The outbreak of Covid-19 pandemic caused significant disturbances and adverse impact on economic activity globally including India. There was significant impact in the first Quarter of the reporting year on account of demand destruction for the Company. However, the Company estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company is continuously monitoring any material change in future economic conditions.

The accompanying notes are an integral part of these financial statements

As per Report of Even date

FINAVA & COMPANY
Chartered Accountants
Firm Reg. No. 128195W

For and on behalf of Board of Directors

(Shah Pranav)			
Partner	**(Khushbu Solanki)**	**(Vasantbhai Ghodasara)**	**(Anandbhai Ghodasara)**
M. No. 124274	**Company Secretary**	**Managing Director**	**Wholetime Director**
UDI No.	**ACS 56469**	**Din : 03372637**	**Din : 03372599**
Place: Rajkot			
Date: 01-06-2021			