INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOMANY SANITARY WARE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Somany Sanitary Ware Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to as "Financial Statements")

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 March 31, 2021, its profit 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 thereunder, 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.

Other Information

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. The above referred information is expected to be made available to us after the date of this audit report.
Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.
When we read the information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action necessitated by the circumstances & the applicable laws and regulations.
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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 Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income),cash flows and change in equity 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 Responsibilities for the Audit of the financial statements

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

As required by Section 143 (3) of the Act, we report that:

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 Act, we give in the Annexure-A statements on the matters specified in the 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, the statement of change in Equity and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.*
   - *(d) In our opinion, the aforesaid 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 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.*
   - *(e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.*
   - *(f) 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 Company has paid remuneration to its directors during the year within the limit under the provisions of section 197 of the Act.*

(g) *With respect to the other matters to be included in the Auditors' 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:*

a. *The Company did not have any pending litigations which would impact its financial position.*

b. *The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.*

c. *The Company did not have any amounts required to be transferred to the Investor Education and Protection Fund.*

For DHAMSANIYA RAJDEV & ASSOCIATES
Chartered Accountants
Firm Reg. No. 144406W

DHAMSANIYA TUSHAR KUMAR
Partner
Membership No. 222170

Place: Morbi
Date: Jun 01, 2021
UDIN: 21222170AAAADN7514

Somany Sanitary Ware Private Limited
BALANCE SHEET AS AT 31th MARCH 2021

ASSETS	Note No.	As at March 31, 2021	As at March 31, 2020
Non-current Assets			
Property, Plant and Equipment	3	3,091.18	3,471.11
Capital work-in-progress		-	-
Intangible Assets	3A	0.02	0.05
Financial Assets			
(i) Other Financial Assets	4	63.76	63.76
Deferred Tax Asset (Net)	16	31.68	25.78
Other Non-Current Assets	5	-	-
		3,186.64	**3,560.70**
Current Assets			
Inventories	6	918.05	1,274.81
Financial Assets			
(i) Trade Receivables	7	302.33	387.72
(ii) Cash and Cash Equivalents	8	11.74	13.63
(iii) Bank Balances other than (ii) above	9	-	-
Current Tax Assets (net)	10	22.74	-
Other Current Assets	11	58.06	152.71
		1,312.92	**1,828.87**
Total Assets		**4,499.57**	**5,389.57**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	990.00	990.00
Other Equity	13	190.14	169.73
		1,180.14	**1,159.73**
Liabilities			
Non- current Liabilities			
Financial Liabilities			
(i) Borrowings	14	1,360.92	1,599.20
Provisions	15	7.50	2.15
		1,368.42	**1,601.35**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	721.55	772.14
(ii) Trade Payables	18		
Outstanding dues of Micro Enterprises and Small Enterprises		-	-
Outstanding dues other than Micro Enterprises and Small Enterprises		579.63	664.17
(iii) Other Financial Liabilities	19	402.58	877.34
Other Current Liabilities	20	237.17	299.43
Provisions	21	0.02	0.00
Current tax Liabilities (net)	22	10.06	15.41
		1,951.01	**2,628.49**
Total Equity and liablities		**4,499.57**	**5,389.57**
Significant Accounting Policies and Other Notes on Financials Statements	1 to 39		

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

As per Report of Even date
Dhamsaniya Rajdev & Associates
Chartered Accountants
(Firm Regn. No. - 144406W)

For and on behalf of Board of Directors

(Dhamsaniya Tushar Kumar)
Partner
Membership No.:- 222170

Hiteshkumar Shivlal Vasiyani
DIN: 05213323

Jashvant Prabhulal Patel
DIN: 05213389

Place: Morbi
Date: 01.06.2021

Somany Sanitary Ware Private Limited
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	23	4,566.66	4,824.59
Other Income	24	13.71	12.02
Total Revenue		**4,580.37**	**4,836.62**
Expenses			
Cost of Materials Consumed	25	1,541.31	1,795.12
Purchases of Stock-in-Trade		231.31	-
Change in Inventories of Finished Goods , Work-in-progress and Stock-in-Trade	26	75.73	70.35
Excise duty on Sales		-	-
Employee Benefit Expense	27	1,048.44	1,132.67
Finance Costs	28	339.21	311.17
Depreciation and Amortization Expense	3	395.18	384.69
Other Expenses	29	916.36	1,088.34
Total Expenses		**4,547.55**	**4,782.34**
Profit Before Exceptional and Extraordinary Items and Tax		**32.83**	**54.28**
Exceptional Items (Net)			
Profit before tax		**32.83**	**54.28**
Tax Expense:			
(1) Current Tax		15.13	15.85
(2) Deferred Tax Charge/(Credit)		(5.66)	2.91
(3) Income Tax for earlier years		2.23	1.65
Profit for the year		**21.13**	**33.87**
Other Comprehensive Income			
(1) Items that will not be reclassifed to profit & loss		(0.96)	-
Deferred Tax relating to above		0.24	-
(2) Items that will be reclassifed to profit & loss		-	-
Total Comprehensive Income for the year		**20.41**	**33.87**
Earnings Per Equity Share (Per Share Value of Rs. 10 each)			
Basic	30	**0.21**	**0.34**
Diluted		**0.21**	**0.34**
Significant Accounting Policies and Other Notes on Financials Statements	1 to 39		

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

As per our report of even date
Dhamsaniya Rajdev & Associates
Chartered Accountants
(Firm Regn. No. - 144406W)

(Dhamsaniya Tushar Kumar)
Partner
Membership No.:- 222170

For and on behalf of Board of Directors

Hiteshkumar Shivlal Vasiyani
DIN: 05213323

Jashvant Prabhulal Patel
DIN: 05213389

Place: Morbi
Date: 01.06.2021

Somany Sanitary Ware Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(Rs. in Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash Flow From Operating Activities**		
	Net Profit Before Tax & Exceptional Items As Per Statement Of Profit & Loss	32.83	54.28
I.	Adjusted For :		
	Depreciation & Amortisation Expense	395.18	384.69
	Interest and Finance Charges	339.21	367.19
	Interest Income	(8.68)	(4.43)
	(Profit)/Loss on sale / Discard of Fixed Assets/ Assets written off (net)	-	(0.03)
	Operating Profit Before Working Capital Changes	**758.53**	**801.70**
II.	Adjusted For :		
	Trade & Other Receivable	180.04	531.47
	Inventories	356.77	(194.53)
	Trade & Other Payable	(142.41)	115.37
	Cash Generated from Operation	1,152.93	1,254.01
	Income Taxes Refund /(paid)	(45.45)	(14.76)
	Net Cash Flow From Operating Activities (A)	**1,107.49**	**1,239.25**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets (including CWIP)	(15.22)	(211.11)
	Sale of Fixed Assets	-	1.50
	Interest Income	8.68	4.43
	Net Cash Outflow From Investing Activities (B)	**(6.54)**	**(205.17)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long Term Borrowings	(439.74)	(683.40)
	Short Term Loans Borrowings (net)	(50.58)	7.82
	Proceeds from issue of Share Capital	-	-
	Interest Paid	(612.51)	(367.19)
	NET CASH INFLOW FROM FINANCING ACTIVITIES (C)	**(1,102.83)**	**(1,042.77)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(1.88)**	**(8.70)**
	CASH AND CASH EQUIVALENTS		
	Opening		
	Cash & Cash Equivalent	13.63	22.32
		13.63	22.32
	Closing		
	Cash & Cash Equivalent	11.75	13.63
		11.75	13.63

Notes :

a) Cash & Cash Equivalents represents cash and bank balances.(Note No.8)

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

c) for reconciliation of change in financial Activities refer note no. 37.

As per our report of even date

Dhamsaniya Rajdev & Associates
Chartered Accountants
(Firm Regn. No. - 144406W)

(Dhamsaniya Tushar Kumar)
Partner
Membership No.:- 222170

Place: Morbi
Date: 01.06.2021

For and on behalf of Board of Directors

Hiteshkumar Shivlal Vasiyani
DIN: 05213323

Jashvant Prabhulal Patel
DIN: 05213389

Somany Sanitary Ware Private Limited
STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

(Rs. in Lakhs)

(a) Equity Share Capital

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	99,00,000	990.00	99,00,000	990.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	**99,00,000**	**990.00**	**99,00,000**	990.00

	Reserves and Surplus			
	Security Premium	Retained earnings	Other Comprehensive Income	Total
Balance at 1 April 2019	88.65	47.21	-	**135.86**
Profit for the year	-	33.87		33.87
Other comprehensive income/ (loss) for the year	-	-		-
Total comprehensive income for the year	**-**	**33.87**	**-**	**33.87**
Balance at 31 March 2020	**88.65**	**81.08**	**-**	**169.73**
Balance at 31 March 2020	**88.65**	**81.08**		**169.73**
Profit for the year	-	21.13		21.13
Other comprehensive income for the year	-	-	(0.72)	(0.72)
Total comprehensive income for the year	**88.65**	**102.21**	**(0.72)**	**190.14**
Balance at 31 March 2021	**88.65**	**102.21**	**(0.72)**	**190.14**

As per our report of even date
Dhamsaniya Rajdev & Associates
Chartered Accountants
(Firm Regn. No. - 144406W)

(Dhamsaniya Tushar Kumar)
Partner
Membership No.:- 222170

Place: Morbi
Date: 01.06.2021

For and on behalf of Board of Directors

Hiteshkumar Shivlal Vasiyani
DIN: 05213323

Jashvant Prabhulal Patel
DIN: 05213389

SOMANY SANITARY WARE PRIVATE LIMITED

1 Corporate and General Information

Somany Sanitary Ware Private Limited referred to as "the Company" is domiciled in India. The registered office of the Company is at S.No. 136/P1 & 138/P3, 8-A National highway,Vaghasiya, Wakaner, Gujarat, India.

The Company has manufacturing plant in Wankaner (Gujarat) , India . The Company is a manufacturer of a sanitary ware items and allied products.

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 1st June, 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 Sanitary ware Private Limited ("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, financial assets and liabilities are remeasured at fair value at each reporting date, wherever 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 Written Down Value Method using the rates arrived at estimated useful lives given in Schedule II of the Companies Act, 2013 or assessed by the Company on technical evaluation, as given below.

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/ erection 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 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.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans in the present value of the defined obligation at the end of the reporting period less the fair value of plant assets.The defined obligation is calculated annually by actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of the Profit and loss.

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, dividend, 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 <u>Measurement of fair value</u>

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.

<u>Financial instruments</u>

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. 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 or amortised cost, as appropriate. In the case of amortised cost, financial liabilities are recognised 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

2.19 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.

2.20 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 Sanitary Ware Private Limited

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible Assets										
Freehold land	561.58	-	-	561.58	-	-	-	-	561.58	561.58
Building	1,942.30	-	-	1,942.30	381.67	148.26	-	529.93	1,412.37	1,560.63
Plant and equipment	2,325.04	5.51	-	2,330.55	989.84	243.25	-	1,233.09	1,097.46	1,335.21
Vehicles	22.60	9.71	-	32.30	10.26	3.25	-	13.50	18.80	12.34
Furniture and fixtures	2.89	-	-	2.89	1.64	0.32	-	1.96	0.93	1.25
Office equipments	1.38	-	-	1.38	1.28	0.06	-	1.34	0.04	0.10
Total	**4,855.80**	**15.22**	**-**	**4,871.01**	**1,384.68**	**395.15**	**-**	**1,779.83**	**3,091.18**	**3,471.11**
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
Total	**4,855.80**	**15.22**	**-**	**4,871.01**	**1,384.68**	**395.15**	**-**	**1,779.83**	**3,091.18**	**3,471.11**

1. Above assets are pledged and hypothecated against borrowings and charged with the bank as security for the loan facilities availed by the company:

3A. Other Intangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Intangible Assets										
Computer Software	0.65	-		0.65	0.60	0.03	-	0.63	0.02	0.05
Total	**0.65**	**-**	**-**	**0.65**	**0.60**	**0.03**	**-**	**0.63**	**0.02**	**0.05**

NOTES TO THE BALANCE SHEET

		As At March 31, 2021	As At March 31, 2020
4	**Other Non-Current Financial Assets**		
	(Unsecured, Considered Good Unless Stated Otherwise)		
	Fixed Deposits held as Margin Money with Banks/ Financial institutions	36.72	36.72
	Security Deposit		
	-With Government Authorities	0.20	0.20
	-With Others	26.84	26.84
		63.76	**63.76**
5	**Other Non-Current Assets**		
	Capital Advance	-	-
		-	-
6	**Inventories**		
	(Valued at Lower of Cost and Net Realisable Value)		
	(As taken , Valued and Certified by the Management)		
	Raw Materials & Packing Material	174.02	388.72
	Work -in-Progress	113.72	121.97
	Finished Goods	619.53	687.02
	Stores and Spares	10.78	77.11
		918.05	**1,274.81**
a.	Inventories are hypothecated to secure short-term borrowings. Refer to Note 17.		
7	**Trade Receivables**		
	Unsecured	-	-
	Considered Good	302.33	387.72
	Have Significant increase in Credit Risk	-	-
	Considered Doubtful - Credit Impaired	-	-
		302.33	387.72
	Less: Allowances for credit losses	-	-
		302.33	**387.72**
a.	Including Rs. 302.33 Lacs as on 31.03.2021 (Rs. 387.72 Lacs as on 31.03.2020) receivable from related parties.		
b.	Trade Receivables are hypothecated to secure short-term borrowings. Refer to Note 16.		
c.	Trade Receivables are generally non-interest bearing and are genenrally on terms of 60 to 90 days.		
8	**Cash & Cash Equivalents**		
	Balance with Banks :		
	Current Accounts	5.02	11.11
	Cash in Hand	6.72	2.52
		11.74	**13.63**
9	**Other Bank Balances**		
	Fixed Deposits held as Margin Money with Banks/ Financial institutions	36.72	36.72
	Less:- Shown Under "Other Financial Assets"(More than 12 months)	36.72	36.72
		-	-
10	**Current Tax Assets (net)**		
	(Unsecured, Considered Good Unless Stated Otherwise)		
	Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of Rs. Nil)	22.74	-
		22.74	-

NOTES TO THE BALANCE SHEET

		As At March 31, 2021	As At March 31, 2020
11	**Other Current Assets**		
	Prepaid Expenses	5.03	4.84
	Other Advances	25.55	60.29
	Balance with Government Authorities (a)	27.47	87.58
		58.06	**152.71**
(a)	Mainly includes claims with direct and indirect tax authorities.		
12	**Equity Share Capital**		
	Authorised		
	Equity Shares 10250000 of Rs.10/-each (March 31, 2020 10250000 Nos of Rs. 10/- each)	1,025.00	1,025.00
	Issued, Subscribed and Paid up		
	Equity Shares 9900000 (March 31, 2020: 9900000 Nos) of Rs 10/- each fully paid up	990.00	990.00
		990.00	**990.00**

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	99,00,000	99,00,000
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	99,00,000	99,00,000

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

i) Somany Ceramic Limited	50,49,000	50,49,000
ii) Hiteshbhai Shivlalbhai Vasiyani	5,07,160	5,07,160
iii) Ketankumar Shivlalbhai Vasiyani	5,71,794	5,71,794
	61,27,954	**61,27,954**

13	**Other Equity**		
	Security Premium		
	Balance at the beginning of the year	88.65	88.65
	Addition/ (Transfer) during the year	-	-
	Closing balance	88.65	88.65
	Retained earnings		
	Balance at the beginning of the year	81.08	47.21
	Transfer from Statement of Profit and Loss	21.13	33.87
	Closing Balance	102.20	81.08
	Remeasurement of defined benefit plans		
	Balance at the beginning of the year	-	-
	Other comprehensive income for the year	(0.72)	-
	Closing Balance	(0.72)	-
	Total of Other Equity	**190.14**	**169.73**

NOTES TO THE BALANCE SHEET

		As At March 31, 2021	As At March 31, 2020
14	<u>**Borrowings**</u>		
	Secured		
	Term Loans		
	- From Banks	543.72	968.25
	Unsecured		
	- Others	1,218.86	1,234.07
		1,762.58	2,202.32
	<u>**Less: Current Maturities of Long Term Borrowings**</u>		
	Term loans		
	- From Banks	401.66	603.11
		401.66	603.11
		1,360.92	1,599.20

Notes

1 Rupee loan of Rs. 543.72 Lakhs (March 31, 2020: Rs. 968.25Lakhs) from banks is secured by first pari passu charge on all fixed assets (both present and future) including equitable mortgage of land and building and entire current assets (both present and future) and personal guarantee of promoters. The aforesaid loan is repayable in the FY 2021-22 of Rs. 401.66 Lakhs, FY 2022-23 of Rs. 70.21 Lakhs and FY 2023-24 of Rs. 71.85 Lakhs.

2 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.

15	<u>**Provisions**</u>		
	Employees Benefits	7.50	2.15
		7.50	2.15

16 Deferred tax liabilities (net)

A. Movement in deferred tax balances

	As at 31st March 2020	Reocgnised in P&L	Recognized in OCI	As at 31st March 2021
Deferred Tax Liabilities				
Property, plant and equipment	(25.24)	**(4.56)**	-	**(29.79)**
Gratuity	(0.54)	(1.11)	(0.24)	**(1.89)**
Net Deferred Tax Liability (b)-(a)	**(25.78)**	**(5.66)**	**(0.24)**	**(31.68)**

	As at 01st April 2019	Reocgnised in P&L	Recognized in OCI	As at 31st March 2020
Deferred Tax Liabilities				
Property, plant and equipment	(28.69)	3.45	-	**(25.24)**
Gratuity		(0.54)	-	**(0.54)**
Net Deferred Tax Liability (b)-(a)	**(28.69)**	**2.91**	**-**	**(25.78)**

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.

B. Amounts recognised in statement of profit or loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current year	15.13	15.85
Income related to earlier year	2.23	1.65
	17.36	17.50
Deferred tax expense		
Origination and reversal of temporary differences	(5.66)	2.91
Change in recognised deductible temporary differences	-	-
	(5.66)	2.91
Total Tax Expense	11.70	20.41

NOTES TO THE BALANCE SHEET

		As At March 31, 2021	As At March 31, 2020
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	32.83	54.28
	Tax using the Company's domestic tax rate @25.17% (Previous Year @25.17%)	8.26	13.66
	Tax effect of:		
	Non-deductible expenses	1.21	2.37
	Tax-exempt income		
	Due to Rate Change	-	2.73
	Changes in estimates related to prior years	2.23	1.65
	Previously unrecognised deferred tax now recognised/utilised	-	-
	Change in recognised deductible temporary differences	-	-
	At the Effective Income Tax Rate @ 35.64% (Previous Year @ 37.61%)	11.70	20.41
17	**Borrowings**		
	Secured Loans:*		
	Working Capital Facilities from Banks		
	Cash Credit	721.55	772.14
		721.55	**772.14**

***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 Land & Building, both present and future, (ii) Exclusive charge on Current Assets and (iii) Personal Guarantee of Directors.

18	**Trade Payables**		
	Outstanding dues of Micro Enterprises and Small Enterprises#	-	-
	Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	579.63	664.17
		579.63	664.17

\# As per information & explanation given by the management, The Company has not received intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME) till the date. Hence the necessary disclosure required under MSME Act, 2006 can not be made. .As in this regard no details produced before us, Same has been relied upon by the auditor.

19	**Other Financial Liabilities**		
	Current Maturities of Long Term Borrowings	401.66	603.11
	Interest Payable	0.93	274.23
		402.58	**877.34**
20	**Other Current Liabilities**		
	Statutory Dues	108.97	57.24
	Capital Creditors	-	79.35
	Other Liabilities	128.21	162.84
		237.17	**299.43**
21	**Short Term Provision**		
	Employees Benefits	0.02	0.00
		0.02	0.00
22	**Current tax Liabilities (net)**		
	Income Tax [Net of Advance of Rs. 6.29 Lakhs as on 31.03.2021, Rs. 0.44 Lakhs as on 31.03.2020]	10.06	15.41
		10.06	15.41

NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
23	**Revenue from Operations**		
	Sales of goods (Sanitary Ware)	4,329.55	4,824.59
	Sales of traded goods	237.11	-
	Other operating revenue		
	Scrap Sales		
	Liabilities No Longer Required Written Back (Net)		
	Sundry Balance Written Back		
	Insurance Claim Received		
	Net Gain on foreign currency translations and transactions		
	Income From Services		
		4,566.66	**4,824.59**
24	**Other Income**		
	Interest Received	8.68	4.43
	Dividend on long term Investments		
	Profit on Sale of Fixed Assets		
	Profit on Sale of Current Investments		
	Profit on Sale of Non-Current Investments		
	Provision for Diminution in Value of Non-current Investment, written back		
	Gain on Fair Value Restatement		
	Miscellaneous Receipts	5.04	7.59
		13.71	**12.02**
25	**Cost of Materials Consumed**		
	Raw Material Consumed	601.72	791.53
	Packing Material Consumed	939.59	1,003.58
		1,541.31	**1,795.12**
26	**Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade**		
	Closing Stock		
	Finished Goods	619.53	687.02
	Stock-in-Trade	-	-
	Total Finished Goods	619.53	687.02
	Work-in-Progress	113.72	121.97
		733.25	808.98
	Less: Opening Stock		
	Finished Goods	687.02	737.44
	Stock-in-Trade	-	-
	Total Finished Goods	687.02	737.44
	Work-in-Progress	121.97	141.89
		808.98	879.33
	(Increase)/ Decrease in Stock	75.73	70.35
	Add / (Less): (Increase) Decrease in Excise duty on Stock		-
		75.73	70.35
27	**Employee Benefit Expense**		
	Salary, Wages, Bonus etc.	1,042.83	1,118.68
	Contribution to Provident Fund and Other Funds	1.33	1.52
	Workmen & Staff Welfare	4.28	12.47
		1,048.44	**1,132.67**
	Less: Transferred to CWIP		
		1,048.44	**1,132.67**
28	**Finance Cost**		
	Interest	319.40	363.29
	Other Borrowing Cost	19.80	3.89
		339.21	**367.19**
	Less: Transferred to CWIP	-	56.02
		339.21	**311.17**

NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
29	**Other Expenses**		
	Stores and Spare Parts Consumed	326.13	299.24
	Power & Fuel	484.31	738.17
	Repairs and Maintainance:		
	Buildings	4.03	-
	Plant & Machinery	22.95	4.71
	Others	-	-
	Rent	-	-
	Rates & Taxes	14.63	9.13
	Insurance	5.47	1.61
	Travelling & Conveyance Expenses	5.56	9.09
	Net loss on foreign currency translations and transactions	-	-
	Directors' Fees	-	-
	Non Executive Directors' Commission	-	-
	Selling & Distribution Expenses	-	-
	Discount		
	Freight Outward and Handling Charges	-	-
	Advertisement & Sales Promotion Expenses	-	-
	Commission to Agents	-	-
	CSR Expenses	-	-
	Provision for Doubtful Debts		
	Bad Debts		
	Sundry Balances Written Off *	23.49	-
	Legal & Professional Expenses	15.00	15.16
	Technical Support and Services		
	Loss on Sale of Fixed Assets	-	-
	Fixed Assets Discard /Written Off	-	-
	Loss on Fair Value of Investment		
	Other Expenses	14.79	11.22
		916.36	**1,088.34**
	Less:- Transfer to CWIP		
		916.36	**1,088.34**

30	**Earning per share**		
	Total profit for the year	20.41	33.87
	Weighted average number of equity shares of Rs. 10/- each	99,00,000	99,00,000
	EPS - Basic and Diluted (Per share in Rs.)	0.21	0.34

Somany Sanitary Ware Private Limited
Notes to financial statements for the year ended 31 March 2021
(All amounts are in rupees Lakhs, unless otherwise stated)

		As at	
		March 31, 2021	March 31, 2020
31	**Contingent liabilities, contingent assets and commitments**		
A.	**Contingent liabilities (not provided for) in respect of:**		
	1 Disputed income tax and wealth tax demand (excluding penalty if any)	106.74	119.28
B.	**Commitments**		
	Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	-	-

32 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(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	
	March 31, 2021	March 31, 2020
Contribution to Provident Fund and Other Funds	1.33	1.52

Contributions to Provident and other Funds' of the Statement of Profit & Loss includes Rs. 1.33 lakhs (Previous year Rs. 1.52 lakhs) towards contribution to

(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

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.

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 components:

	March 31, 2021			March 31, 2020		
Particulars	**Defined benefit obligation**	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	**Defined benefit obligation**	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**
Opening Balance	2.16	-	2.16	-	-	-
Included in profit & loss						
Current service cost	4.26	-	4.26	1.44	-	1.44
Interest cost / (income)	0.15	-	0.15	-	-	-
Past Service Cost including curtailment	-	-	-	0.71	-	0.71
	4.40	-	4.40	2.16	-	2.16
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	-	-	-	-	-	-
- experience adjustment	0.96	-	0.96	-	-	-
- on plan assets	-	-	-	-	-	-
	0.96	-	0.96	-	-	-
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Acquisition adjustment	-	-	-	-	-	-
	-	-	-	-	-	-
Closing Balance	7.52	-	7.52	2.16	-	2.16

B. Plan assets

Particulars	March 31, 2021	March 31, 2020
Fund managed by insurer	-	-
	-	-

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	6.76%	6.76%
Expected rate of future salary increase	5.00%	5.00%
Mortality	IALM(2012-14)	IALM(2012-14)

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

The company expects to pay Rs. Nil (Previous Year Rs.Nil) 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 affected the

Particulars	March 31, 2021	March 31, 2020

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

Particulars	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	0.60	0.67	0.18	0.20
Expected rate of future salary increase (0.5% movement)	0.68	0.61	0.21	0.18

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate
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

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 follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

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

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

33 Related parties transactions

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	**Relationship**
Hiteshkumar Shivlal Vasiyani	Key Managerial Personnel
Jashvant Prabhulal Patel	Key Managerial Personnel
Kantilal Kachrabhai Sherashiya	Key Managerial Personnel

ii Holding Company

Somany Ceramics Limited

iii. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Atlas Industries

B. Transactions with the above in the ordinary course of business

	For the year ended	
Nature of Transactions	**March 31, 2021**	**March 31, 2020**
a) Payments to Key Managerial Personnel and their relatives		
Hiteshkumar Shivlal Vasiyani		
-Remuneration	27.50	27.50
-Loan Received	16.50	-
-Interest Paid	2.71	1.68
Closing Balance		
-Outstanding Balance as Payable	0.86	3.01
-Outstanding Balance as Unsecured Loan	32.01	15.51
Jashvant Prabhulal Patel		
-Remuneration	27.50	27.50
-Interest Paid	0.95	0.86
Closing Balance		
-Outstanding Balance as Payable	0.86	2.20
-Outstanding Balance as Unsecured Loan	7.95	7.95
Kantilal Kachrabhai Sherashiya		
-Remuneration	27.50	27.50
-Loan Received	10.00	-
-Interest Paid	1.92	1.25
Closing Balance		
-Outstanding Balance as Payable	0.86	2.28
-Outstanding Balance as Unsecured Loan	21.52	11.52

Somany Sanitary Ware Private Limited
Notes to financial statements for the year ended 31 March 2021
(All amounts are in rupees Lakhs, unless otherwise stated)

Summary of payment made to KMP

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short- Term employee benefits	82.50	82.50
Interst Paid	5.58	3.79
	88.08	**86.29**

	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
b)	**With Holding Companies are as under**		
	-Somany Ceramic Limited		
	-Sales of Goods (Excluding VAT, CST & GST)	4,566.59	4,836.32
	-Purchase of Goods (Excluding VAT, CST & GST)	89.73	509.30
	-Interest on Unsecured Loan	96.90	119.85
	-Loan Received	100.00	180.00
	-Loan Repaid	110.00	470.00
	Closing Balance		
	-Outstanding Balance as Trade Receivable	302.33	387.72
	-Outstanding Balance as Interest Payable	-	274.23
	-Outstanding Balance as Unsecured Loan	930.00	940.00
c)	**With Enterprise over which Key Management Personnel and their relatives exercise significant influence**		
	-Atlas Industries		
	-Interest on Unsecured Loan	10.03	18.05
	-Loan Repayment	150.00	-
	Closing Balance		
	-Outstanding Balance as Trade Payable	-	41.13
	-Outstanding Balance as Interest Payable	0.93	
	-Outstanding Balance as Unsecured Loan	-	150.00

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

34 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		302.33		387.72
Cash and cash equivalents		11.74		13.63
Others				
Non Current		63.76		63.76
	-	**377.83**	-	**465.11**
Financial liabilities				
Borrowings				
Non Current		1,360.92		1,599.20
Current		721.55		772.14
Trade payables		579.63		664.17
Other current financial liabilities		402.58		877.34
	-	**3,064.68**	-	**3,912.85**

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				
Trade receivables	302.33	302.33	387.72	387.72
Cash and cash equivalents	11.74	11.74	13.63	13.63
Others				
Non Current	63.76	63.76	63.76	63.76
	377.83	**377.83**	**465.11**	**465.11**
Financial liabilities				
Borrowings				
Non Current	1,360.92	1,360.92	1,599.20	1,599.20
Current	721.55	721.55	772.14	772.14
Trade payables	579.63	579.63	664.17	664.17
Other current financial liabilities	402.58	402.58	877.34	877.34
	3,064.68	**3,064.68**	**3,912.85**	**3,912.85**

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 and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic. The Management impact analysis shows credit risk and impact assessment as 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 legal entity, their geographic location, industry and existence of previous financial difficulties

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 as on 31 March 2021 is Rs. 302.33 Lakhs (31 March 2020 – Rs. 387.72 Lakhs).

During the period, the Company has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

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.

(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	1,360.92	-	-	142.07	1,218.86
Current borrowings	721.55	721.55	-	-	-
Trade payables	579.63	-	579.63	-	-
Other current financial liabilities	402.58	-	402.58	-	-
Total Financial liabilities	**3,064.68**	**721.55**	**982.21**	**142.07**	**1,218.86**

	Carrying Amounts 31 March 2020	Contractual cash flows			
		On demand	Less than 1 year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	1,599.20	-	-	365.13	1,234.07
Current borrowings	772.14	772.14	-	-	-
Trade payables	664.17	-	664.17	-	-
Other current financial liabilities	877.34	-	877.34	-	-
Total Financial liabilities	**3,912.85**	**772.14**	**1,541.51**	**365.13**	**1,234.07**

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.

Somany Sanitary Ware Private Limited
Notes to financial statements for the year ended 31 March 2021
(All amounts are in rupees Lakhs, unless otherwise stated)

Interest rate risk

The Company's main interest rate risk arises from 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 INR.

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	
	March 31, 2021	**March 31, 2020**
Fixed-rate instruments		
Financial assets	36.72	36.72
Financial liabilities	1,218.86	1,234.07
	1,255.58	1,270.79
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	1,265.28	1,740.38
	1,265.28	1,740.38

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	(6.33)	6.33	(4.73)	4.73
Cash flow sensitivity	**(6.33)**	**6.33**	**(4.73)**	**4.73**
31 March 2020				
Variable-rate instruments	(8.70)	8.70	(6.28)	6.28
Cash flow sensitivity	**(8.70)**	**8.70**	**(6.28)**	**6.28**

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
35 Payments to Auditors :		
Statutory audit fee	2.75	2.50
Total	**2.75**	**2.50**

36 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. "Sanitary Wares 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.

37 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	**March 31, 2021**	**March 31, 2020**
Equity Share Capital (Note 11)	990.00	990.00
Other Equity (Note 12)	190.14	169.73
Total Equity	**1,180.14**	**1,159.73**
Non-Current Borrowings (Note 13)	1,360.92	1,599.20
Current maturities of Non-Current Borrowings (Note 18)	401.66	603.11
Current Borrowings (Note 16)	721.55	772.14
Total Debts	**2,484.13**	**2,974.45**

Somany Sanitary Ware Private Limited
Notes to financial statements for the year ended 31 March 2021
(All amounts are in rupees Lakhs, unless otherwise stated)

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

Particulars	March 31, 2021	Cash Flow	Non-Cash Changes			March 31, 2020
			Obtaining/ losing Control of Subsi./ other Business	Foreign Exchange Movement	Fair Value Movement	
Non Current borrowings	1,762.58	(439.74)	-	-	-	2,202.32
Current borrowings	721.55	(50.58)	-	-	-	772.14
Issue of Share Capital	990.00	-				990.00
Security Premium	88.65	-				88.65
Total liabilities from financing activities	**3,562.78**	**(490.32)**	**-**	**-**	**-**	**4,053.10**

39 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.

Dhamsaniya Rajdev & Associates
Chartered Accountants
(Firm Regn. No. - 144406W)

(Dhamsaniya Tushar Kumar)
Partner
Membership No.:- 222170

Hiteshkumar Shivlal Vasiyani
DIN: 05213323

Jashvant Prabhulal Patel
DIN: 05213389

Place: Morbi
Date: 01.06.2021