# INDEPENDENT AUDITOR'S REPORT

To the Members of
**VINTAGE TILES PRIVATE LIMITED**

## Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

## Opinion

We have audited the accompanying Ind AS financial statements of **VINTAGE TILES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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 financial position (state of affairs) of the Company as at 31st March 2021, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) prescribed 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 Ind AS 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 Ind AS 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 opinion.

## Information other than 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 director's report including annexures thereto, but does not include the financial statements and 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.

## Responsibilities of Management and Those Charged with Governance 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 system 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Act, we give in "Annexure A", 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 including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

    d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;

    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”; and

g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;

   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 DHAMSANIYA RAJDEV& ASSOCIATES.**
**CHARTERED ACCOUNTANTS**

**(*PRATIK K. RAJDEV*)**

**PLACE: MORBI**

**PARTNER**

**DATED: June 01, 2021**
**UDI: 21137919AAAACE7801**

**M No.137919**

**FIRM REG. NO.144406W**

# VINTAGE TILES PVT. LTD.

## BALANCE SHEET AS AT 31st MARCH 2021

| PARTICULARS | Note No. | As at March 31, 2021 | As at March 31,2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **N** | | | |
| Property, Plant and Equipment | 3 | 4,304.98 | 4,697.44 |
| Capital work-in-progress | 3 | 161.83 | - |
| Intangible Assets | 4 | - | - |
| Intantigble Assets under development | | | |
| Financial Assets | | | |
| (i) Other Financial Assets | 5 | 5.29 | 5.29 |
| Other Non-Current Assets | 6 | 8.84 | - |
| | | **4,480.93** | **4,702.72** |
| **Current Assets** | | | |
| Inventories | 7 | 2,189.79 | 2,432.71 |
| Financial Assets | | | |
| (i) Trade Receivables | 8 | 40.40 | 39.55 |
| (ii) Cash and Cash Equivalents | 9 | 30.08 | 67.32 |
| (iii) Bank Balances other than (ii) above | 10 | 102.30 | 72.30 |
| (vi) Other current financial assets | 11 | 51.58 | 13.11 |
| Deferred Tax Assets (Net) | 19 | 130.97 | 94.60 |
| Current Tax Assets (net) | 12 | 11.23 | 20.21 |
| Other Current Assets | 13 | 60.10 | 61.25 |
| | | **2,616.44** | **2,801.05** |
| **Total Assets** | | **7,097.38** | **7,503.76** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 14 | 900.00 | 900.00 |
| Other Equity | 15 | 557.51 | 652.59 |
| | | **1,457.51** | **1,552.59** |
| **Liabilities** | | | |
| **Non- current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 16 | 2,495.19 | 2,437.82 |
| (ii) Other Financial Liabilities | 17 | - | - |
| Provisions | 18 | 37.74 | 36.07 |
| | | **2,532.93** | **2,473.89** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 20 | 1,200.79 | 1,455.39 |
| (ii) Trade Payables | 21 | | |
| Outstanding dues of Micro Enterprises and Small Enterprises | | - | - |
| Outstanding dues other than Micro Enterprises and Small Enterprises | | 1,163.74 | 1,402.50 |
| (iii) Other Financial Liabilities | 22 | 583.63 | 102.83 |
| Other Current Liabilities | 23 | 117.44 | 482.94 |
| Provisions | 24 | 41.34 | 33.62 |
| | | **3,106.94** | **3,477.29** |
| **Total Equity and liablities** | | **7,097.38** | **7,503.77** |
| Significant Accounting Policies and Other Notes on Financials Statements | 1 to 42 | | |

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

**As per Report of Even date**

**FOR DHAMSANIYA RAJDEV & ASSOCIATES**
**CHARTERED ACCOUNTANTS**

**For and on behalf of Board of Directors**

**Pratik K Rajdev**
Partner
M.No. 137919
FRN : 144406w
Place: Morbi
Date :- 01/06/2021

**NIRAV JAYANTKUMAR PATEL**
Director
DIN: 03169055

**RAJAN JAYANTKUMAR PATEL**
Director
DIN: 03169052

# VINTAGE TILES PVT. LTD.

## 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 | 25 | 11,271.15 | 11,680.13 |
| Other Income | 26 | 6.87 | 13.96 |
| **Total Revenue** | | **11,278.02** | **11,694.09** |
| **Expenses** | | | |
| Cost of Materials Consumed | 27 | 4,217.43 | 4,729.04 |
| Purchases of Stock-in-Trade | | 537.73 | 65.57 |
| Change in Inventories of Finished Goods , Work-in-progress and Stock-in-Trade | 28 | 430.41 | (602.03) |
| Excise duty on Sales | | - | - |
| Employee Benefit Expense | 29 | 908.61 | 1,190.92 |
| Finance Costs | 30 | 610.10 | 591.90 |
| Depreciation and Amortization Expense | 3 | 430.34 | 421.10 |
| Other Expenses | 31 | 4,276.23 | 5,504.83 |
| **Total Expenses** | | **11,410.87** | **11,901.32** |
| Profit Before Exceptional and Extraordinary Items and Tax | | **(132.85)** | **(207.23)** |
| Exceptional Items (Net) | | - | - |
| **Profit before tax** | | **(132.85)** | **(207.23)** |
| Tax Expense: | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax Charge/(Credit) | | (36.76) | (54.68) |
| (3) Income Tax for earlier years | | - | (0.16) |
| **Profit for the year** | | (96.09) | (152.40) |
| **Other Comprehensive Income** | | | |
| (1) Items that will not be reclassifed to profit & loss | | **1.40** | **-** |
| Income Tax relating to above | | **(0.39)** | |
| (2) Items that will be reclassifed to profit & loss | | | |
| **Total Comprehensive Income for the year** | | (95.08) | **(152.40)** |
| Earnings Per Equity Share (Per Share Value of Rs. 10 each) | 32 | | |
| **Basic** | | **(1.06)** | **(1.69)** |
| **Diluted** | | **(1.06)** | **(1.69)** |
| Significant Accounting Policies and Other Notes on Financials Statements | 1 to 42 | | |
| The accompanying Notes are an integral part of the Financial Statements. | | | |

**FOR DHAMSANIYA RAJDEV & ASSOCIATES**
**CHARTERED ACCOUNTANTS**

**For and on behalf of Board of Directors**

**Pratik K Rajdev**
Partner
M.No. 137919
FRN : 144406w
Place: Morbi
Date :- 01/06/2021

**NIRAV JAYANTKUMAR PATEL**
Director
DIN: 03169055

**RAJAN JAYANTKUMAR PATEL**
Director
DIN: 03169052

# VINTAGE TILES PVT. LTD.

## 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** | (132.85) | (207.23) |
| I. | Adjusted For : | | |
| | Depreciation & Amortisation Expense | 430.34 | 421.10 |
| | Interest and Finance Charges | 610.10 | 577.60 |
| | Interest Income | (5.98) | (27.09) |
| | Provision for Gratuity | | 69.69 |
| | (Profit)/Loss on sale / Discard of Fixed Assets/ Assets written off (net) | (0.89) | 40.07 |
| | **Operating Profit Before Working Capital Changes** | **900.73** | **874.14** |
| II. | Adjusted For : | | |
| | Trade & Other Receivable | (46.12) | 714.90 |
| | Inventories | 242.92 | (760.83) |
| | Trade & Other Payable | (580.39) | 118.66 |
| | Cash Generated from Operation | 517.14 | 946.87 |
| | Income Taxes Refund /(paid) | 8.98 | (19.32) |
| | **Net Cash Flow From Operating Activities (A)** | **526.12** | **927.55** |
| B. | **Cash Flow from Investing Activities** | | |
| | Purchase of Fixed Assets (including CWIP) | (200.33) | (302.89) |
| | Sale of Fixed Assets | 1.50 | 36.17 |
| | Capital advance | (8.84) | 7.72 |
| | Interest Income | 0.85 | 27.09 |
| | Bank deposit | (30.00) | 57.63 |
| | **Net Cash Outflow From Investing Activities (B)** | **(236.82)** | **(174.29)** |
| C. | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Proceeds from Long Term Borrowings | - | 15.43 |
| | Repayment of Long Term Borrowings | 551.25 | (393.67) |
| | Short Term Loans Borrowings (net) | (254.60) | 73.33 |
| | Interest Paid | (623.19) | (577.60) |
| | **NET CASH INFLOW FROM FINANCING ACTIVITIES (C)** | **(326.54)** | **(882.51)** |
| | **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | **(37.24)** | **(129.25)** |
| | **CASH AND CASH EQUIVALENTS** | | |
| | **Opening** | | |
| | Cash & Cash Equivalent | 67.32 | 196.57 |
| | | 67.32 | 196.57 |
| | **Closing** | | |
| | Cash & Cash Equivalent | 30.08 | 67.32 |
| | | 30.08 | 67.32 |

Notes :
a) Cash & Cash Equivalents represents cash and bank balances.(Note No.9)
b) Figures for the previous year have been regrouped/rearranged wherever considered necessary.
c) For reconciliation of change in financial activities refer Note No.39

**As per our report of even date**
**FOR DHAMSANIYA RAJDEV & ASSOCIATES**
**CHARTERED ACCOUNTANTS**

**For and on behalf of Board of Directors**

**NIRAV JAYANTKUMAR PATEL**
Director
DIN: 03169055

**Pratik K Rajdev**
Partner
M.No. 137919
FRN : 144406w
Place: Morbi
Date :- 01/06/2021

**RAJAN JAYANTKUMAR PATEL**
Director
DIN: 03169052

# VINTAGE TILES PVT. LTD.

## 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 | 90,00,000 | 900.00 | 90,00,000 | 900.00 |
| Changes in equity share capital during the year | | | | |
| Balance at the end of the reporting period | **90,00,000** | **900.00** | **90,00,000** | 900.00 |

| | Reserves and Surplus | | | |
|---|---|---|---|---|
| | Security Premium Reserve | Retained earnings | Other Comprehensive Income | Total |
| **Opening balance at the beginning of the year** | 269.10 | 535.89 | - | 804.99 |
| Profit for the year | - | (152.40) | - | (152.40) |
| Other comprehensive income for the year | - | - | - | - |
| **Balance at 31 March 2020** | **269.10** | **383.49** | **-** | **652.59** |
| **Opening balance at the beginning of the year** | **269.10** | **383.49** | **-** | **652.59** |
| Profit for the year | | (96.09) | - | (96.09) |
| Other comprehensive income for the year | | 1.01 | - | 1.01 |
| **Total comprehensive income for the year** | | **(95.08)** | **-** | **(95.08)** |
| **Balance at 31 March 2021** | **269.10** | **288.41** | **-** | **557.51** |

**As per our report of even date**

**FOR DHAMSANIYA RAJDEV & ASSOCIATES**
**CHARTERED ACCOUNTANTS**

**For and on behalf of Board of Directors**

**Pratik K Rajdev**
Partner
M.No. 137919
FRN : 144406w
Place: Morbi
Date :- 01/06/2021

**NIRAV JAYANTKUMAR PATEL**
Director
DIN: 03169055

**RAJAN JAYANTKUMAR PATEL**
Director
DIN: 03169052

# VINTAGE TILES PVT. LTD.

1 **Corporate and Genreal Information**

**Vintage Tiles Pvt. Ltd.** referred to as "the Company" is domiciled in India. The registered office of the Company is at Nazar Baug Road, B/h science college, Morbi - Gujarat, India having tile manufacturing plant in Morbi Gujrat. Company is manufacturer of vitrified tile 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 Vintage Tiles 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, 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.

**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 **<u>Property, Plant and Equipment</u>**

**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 Straight Line 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/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 along with the significant rights and reards 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.

**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, 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.

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. The business activity of the company falls within one broad business segment viz. "Ceramics Tiles " 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 Indian Accounting Standard 108 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

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

he 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.

# VINTAGE TILES PVT. LTD.

**3. Property, plant and equipment**

(Rs. in Lakhs)

| 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 | 97.74 | - | | 97.74 | - | - | | - | 97.74 | 97.74 |
| Building | 230.71 | - | | 230.71 | 33.69 | 8.42 | | 42.11 | 188.59 | 197.02 |
| Plant and equipment | 5,333.51 | 30.70 | - | 5,364.21 | 1,125.36 | 390.98 | - | 1,516.34 | 3,847.87 | 4,208.15 |
| Vehicles | 184.43 | - | 15.31 | 169.12 | 33.23 | 22.46 | 14.70 | 41.00 | 128.12 | 151.20 |
| Office equipments | 72.99 | 7.80 | | 80.79 | 29.65 | 8.47 | | 38.12 | 42.66 | 43.34 |
| **Total** | **5,919.37** | **38.50** | **15.31** | **5,942.56** | **1,221.93** | **430.34** | **14.70** | **1,637.58** | **4,304.98** | **4,697.44** |
| Capital work-in-progress | - | 161.83 | - | 161.83 | - | | | - | 161.83 | - |

1. Assets Pledged and hypothecated agaisnst borrowings:-

The above assets are subject to charge with the bank as security for the loan facilities availed by the company.

2. Car loan from Banks and others are secured (charged created) by hypothecation of cars purchased.

4,599.70

**4. 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 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

# VINTAGE TILES PVT. LTD.

**NOTES TO THE BALANCE SHEET**

| | | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|---|
| **5** | **Other Non-Current Financial Assets** | | |
| | (Unsecured, Considered Good Unless Stated Otherwise) | | |
| | Bank Deposit (Pledge with Government Department) | - | - |
| | Security Deposit | 5.29 | 5.29 |
| | | **5.29** | **5.29** |
| **6** | **Other Non-Current Assets** | | |
| | Capital Advance | 8.84 | - |
| | | **8.84** | **-** |
| **7** | **Inventories** | | |
| | **(Valued at Lower of Cost and Net Realisable Value )** | | |
| | **(As taken , Valued and Certified by the Management)** | | |
| | Raw Materials & Packing Material | 417.12 | 317.43 |
| | Work -in-Progress | 353.01 | 68.61 |
| | Finished Goods | 1,042.18 | 1,756.99 |
| | Stores and Spares | 377.47 | 289.69 |
| | | **2,189.79** | **2,432.71** |
| **8** | **Trade Receivables** | | |
| | Unsecured, Considered Good | 40.40 | 39.55 |
| | Have Significant increase in Credit Risk | - | - |
| | Considered Doubtful - Credit Impaired | - | - |
| | | - | - |
| | | 40.40 | 39.55 |
| | Less: Allowances for credit losses | | |
| | | **40.40** | **39.55** |
| **a.** | Including Rs. 35.16 Lakhs (as on 31-03-2020 Rs NIL Lakhs ) receivable from related parties. | | |
| **b.** | Trade Receivables are hypothecated to secure short-term borrowings. Refer to Note 20. | | |
| **c.** | Trade Receivables are generally non-interest bearing and are genenrally on terms of 30 to 60 days. | | |
| **9** | **Cash & Cash Equivalents** | | |
| | **(As certified by the management)** | | |
| | **Balance with Banks :** | | |
| | Current Accounts | 18.99 | 47.29 |
| | Cash in Hand | 11.10 | 20.02 |
| | | **30.08** | **67.32** |
| **10** | **Other Bank Balances** | | |
| | **Earmarked Balance with Banks** | | |
| | **Other Bank Balance** | | |
| | Fixed Deposits held as Margin Money with Banks/ Financial institutions | 102.30 | 72.30 |
| | Less:- Shown Under "Other Financial Assets"(More than 12 months) | - | - |
| | | 102.30 | 72.30 |
| **11** | **Other current financial assets** | | |
| | Accrued Interest | 18.24 | 13.11 |
| | Interest receivable from Bank (excess interest charged) | 33.34 | - |
| | | **51.58** | **13.11** |
| **12** | **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 as on 31-03-2021, NIL as on 31-03-2020) | 11.23 | 20.21 |
| | | 11.23 | 20.21 |

# VINTAGE TILES PVT. LTD.

**NOTES TO THE BALANCE SHEET**

| | | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|---|
| **13** | <u>**Other Current Assets**</u> | | |
| | Prepaid Expenses | 35.65 | 27.94 |
| | Other Advances | 3.86 | 23.15 |
| | Balance with Government Authorities (a) | 20.54 | 6.06 |
| | Others | 0.05 | 4.10 |
| | | **60.10** | **61.25** |
| **(a)** | Mainly includes claims with direct and indirect tax authorities. | | |
| **14** | **Equity Share Capital** | | |
| | <u>**Authorised**</u> | | |
| | Equity Shares 90,00,000 of Rs.10 /-each | 900.00 | 900.00 |
| | <u>**Issued, Subscribed and Paid up**</u> | | |
| | Equity Shares 90,00,000 ( 31-03-2020-90,00,000) of Rs 10/- each fully paid up | 900.00 | 900.00 |
| | | **900.00** | **900.00** |

**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** | 90,00,000 | 90,00,000 |
| 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** | 90,00,000 | 90,00,000 |

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

| | | |
|---|---|---|
| Amitkumar R. Sachde | 460000 | 460000 |
| Chhotalal J. Patel | 495300 | 495300 |
| Jayantkumar J. Patel | 900000 | 900000 |
| Nirav J. Patel | 877800 | 877800 |
| Rajan J. Patel | 877200 | 877200 |
| Somany Ceramics Ltd. | 4500000 | 4500000 |
| | **8110300** | **8110300** |

| | | | |
|---|---|---|---|
| **15** | <u>**Other Equity**</u> | | |
| | **Security Premium Reserve** | | |
| | Balance at the beginning of the year | 269.10 | 269.10 |
| | Addition/ (Transfer) during the year | | |
| | Closing balance | 269.10 | 269.10 |
| | **General Reserve** | | |
| | Balance at the beginning of the year | | |
| | Add: Amount transferred from Surplus Balance in Statement of Profit and Loss | | |
| | Closing balance | - | - |
| | **Retained earnings** | | |
| | Balance at the beginning of the year | 383.49 | 535.89 |
| | Transfer from Statement of Profit and Loss | (96.09) | (152.40) |
| | Amount available for appropriation | 287.40 | 383.49 |
| | <u>Less : Appropriation:</u> | | |
| | Closing Balance | 287.40 | 383.49 |
| | Remeasurement of defined benefit plans | | |
| | Balance at the beginning of the year | | |
| | Other comprehensive income for the year | 1.01 | - |
| | Closing Balance | 1.01 | - |
| | **Total of Reserves & Surplus** | 557.51 | 652.59 |

# VINTAGE TILES PVT. LTD.

**NOTES TO THE BALANCE SHEET**

| | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|
| **16 Borrowings** | | |
| **Secured** | | |
| **Term Loans** | | |
| - From Banks | 2,272.29 | 1,702.50 |
| **Car Loans** | | |
| - From Banks | 29.32 | 47.86 |
| **Unsecured** | | |
| - From other* | 776.00 | 776.00 |
| | 3,077.61 | 2,526.36 |
| **Less: Current Maturities of Long Term Borrowings** | | |
| **Term loans** | | |
| - From Banks | 562.12 | 70.00 |
| **Car Loans** | | |
| From Banks | 20.30 | 18.53 |
| **Unsecured** | - | - |
| - From other* | | |
| | 582.42 | 88.53 |
| | 2,495.19 | 2,437.82 |

*All the outstanding balance of current & previous year is of related party

**Notes**

1 The term loans from bank are secured by hypothecation of all existing and proposed plant & machineries and other assets,equitable mortgage of factory land and building,personal gaurantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad

2 - Term loan of Rs.1400.00 Lakhs ( as on 31-03-2020 Rs 1530.00 Lakhs, ) is repayable in , FY 21-22 Rs. 225.00 lakhs, FY 22-23 Rs. 300.00 lakhs, FY 23-24 Rs. 300.00 lakhs, FY 24-25 Rs. 300.00 lakhs and FY 25-26 Rs. 275.00 lakhs.(Company has availed moratorium benefit declared by RBI under COVID-19 relaxation)

3 - Term loan of Rs. 165.04 Lakhs ( Previous Year 172.50) is repayable in FY 21-22 Rs. 40.00 lakhs, FY 22-23 Rs. 40.00 lakhs, FY 23-24 Rs. 40.00 lakhs, FY 24-25 Rs. 40.00 lakhs and FY 25-26 Rs. 5.04 lakhs.(Company has availed moratorium benefit declared by RBI under COVID-19 relaxation)

4 Term Loan of Rs. 231.25 lakhs is repayable in FY 2021-22 178.12Lakhs , FY 2022-23 53.13 lakhs

5 Term Loan of Rs. 476 lakhs is repayable in FY 2021-22 119 Lakhs , FY 2022-23 159 lakhs, FY 2023-24 159 lakhs , FY 2024-25 39.00 lakhs

6 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.

| | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|
| **17 Other Financial Liabilities** | | |
| Trade Deposit | - | - |
| | - | - |
| Less:-Current Maturities | - | - |
| | - | - |
| **18 Provisions** | | |
| Employees Benefits | 37.74 | 36.07 |
| | 37.74 | 36.07 |

# VINTAGE TILES PVT. LTD.

**NOTES TO THE BALANCE SHEET**

| | | As At March 31, 2021 | As At March 31, 2020 | | |
|---|---|---|---|---|---|
| **19** | **Deferred tax** | | | | |
| **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 | 214.06 | **49.48** | | **263.53** |
| | MAT Credit Entitlement | 236.79 | - | | **236.79** |
| | Accrued expenses | 19.39 | 3.00 | -0.39 | **22.00** |
| | **Sub- Total (a)** | **470.23** | **52.48** | **(0.39)** | **522.32** |
| | **Deferred Tax Liabilities** | | | | |
| | Property, plant and equipment | 375.64 | 15.72 | | **391.36** |
| | Other Intangible assets | | | | |
| | Others | | | | |
| | **Sub- Total (b)** | **375.64** | **15.72** | **-** | **391.36** |
| | **Net Deferred Tax Liability/(Assets) (b)-(a)** | **(94.60)** | **(36.76)** | **0.39** | **(130.97)** |
| | | **As at 1st April 2019** | **Reocgnised in P&L** | | **As at 31st March 2020** |
| | **Deferred Tax Assets** | | | | |
| | Others | | | | - |
| | MAT Credit Entitlement | 236.79 | - | | 236.79 |
| | **Sub- Total (a)** | **236.79** | **-** | | **236.79** |
| | **Deferred Tax Liabilities** | | | | |
| | Property, plant and equipment | 196.87 | - | | 196.87 |
| | **Sub- Total (b)** | **196.87** | **-** | | **196.87** |
| | **Net Deferred Tax Liability (b)-(a)** | **(39.92)** | **-** | | **(39.92)** |

| | | | |
|---|---|---|---|
| **B.** | **Amounts recognised in profit or loss** | | |
| | **Current tax expense** | | |
| | Current year | - | - |
| | Income related to earlier year | - | (0.16) |
| | | **-** | **(0.16)** |
| | **Deferred tax expense** | | |
| | Origination and reversal of temporary differences | (36.76) | (54.68) |
| | Change in recognised deductible temporary differences | - | - |
| | | (36.76) | (54.68) |
| | **Total Tax Expense** | **(36.76)** | **(54.83)** |
| **C.** | **Reconciliation of effective tax rate** | | |
| | **Profit before tax from continuing operations** | (132.85) | (207.23) |
| | Tax using the Company’s domestic tax rate @27.82 %(Previous Year @27.82 %) | (36.96) | (57.65) |
| | Tax effect of: | | |
| | Non-deductible expenses | 0.20 | 2.15 |
| | Tax-exempt income | - | - |
| | Tax incentives | - | - |
| | Changes in estimates related to prior years | - | - |
| | Previously unrecognised deferred tax now recognised | - | 0.66 |
| | At the Effective Income Tax Rate of 27.67 %(Previous Year @ 26.46%) | (36.76) | (54.83) |

# VINTAGE TILES PVT. LTD.

**NOTES TO THE BALANCE SHEET**

| | | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|---|
| 20 | <u>Borrowings</u> | | |
| | **Secured Loans:*** | | |
| | **Working Capital Facilities from Banks** | | |
| | Cash Credit | 1,200.79 | 1,455.39 |
| | | 1,200.79 | 1,455.39 |

***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 othe current and future assets.

| | | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|---|
| 21 | <u>Trade Payables</u> | | |
| | Outstanding dues of Micro Enterprises and Small Enterprises# | - | - |
| | Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 1,163.74 | 1,402.50 |
| | | 1,163.74 | 1,402.50 |

# 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 rlied upon by the auditor

| | | As At March 31, 2021 | As At March 31, 2020 |
|---|---|---|---|
| 22 | <u>Other Financial Liabilities</u> | | |
| | Current Maturities of Long Term Borrowings | 582.42 | 88.53 |
| | Unpaid Interest on borrowings | 1.20 | 14.29 |
| | | **583.63** | **102.83** |
| 23 | <u>Other Current Liabilities</u> | | |
| | Statutory Dues | 115.92 | 61.28 |
| | Other Liabilities | 1.52 | 421.66 |
| | | **117.44** | **482.94** |
| 24 | <u>Short Term Provision</u> | | |
| | Employees Benefits | 41.34 | 33.62 |
| | | 41.34 | 33.62 |

# VINTAGE TILES PVT. LTD.

**NOTES TO THE STATEMENT OF PROFIT AND LOSS**

| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| | | | **(Rs. In Lakhs)** |
| **25** | **Revenue from Operations** | | |
| | Sales of manufactured goods (tiles) | 10,729.74 | 11,609.17 |
| | Sales of traded goods | 541.22 | 68.23 |
| | **Other operating revenue** | | |
| | Scrap Sales | | - |
| | Sundry Balance Written Back | 0.18 | 2.14 |
| | Net Gain on foreign currency translations and transactions | - | 0.59 |
| | | **11,271.15** | **11,680.13** |
| **26** | **Other Income** | | |
| | Interest Received | 5.98 | 13.96 |
| | Dividend on long term Investments | | |
| | Profit on Sale of Fixed Assets | 0.89 | |
| | 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 | | |
| | | **6.87** | **13.96** |
| **27** | **Cost of Materials Consumed** | | |
| | Raw Material Consumed | 3,979.67 | 4,457.73 |
| | Packing Material Consumed | 237.77 | 271.31 |
| | | **4,217.43** | **4,729.04** |
| **28** | **Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade** | | |
| | **Closing Stock** | | |
| | Finished Goods | 1,042.18 | 1,756.99 |
| | **Total Finished Goods** | 1,042.18 | 1,756.99 |
| | Work-in-Progress | 353.01 | 68.61 |
| | | 1,395.19 | 1,825.60 |
| | **Less: Opening Stock** | | |
| | Finished Goods | 1,756.99 | 751.68 |
| | **Total Finished Goods** | 1,756.99 | 751.68 |
| | Work-in-Progress | 68.61 | 471.89 |
| | | 1,825.60 | 1,223.57 |
| | (Increase)/ Decrease in Stock | 430.41 | (602.03) |
| | Add / (Less): (Increase) Decrease in Excise duty on Stock | | |
| | | 430.41 | (602.03) |
| **29** | **Employee Benefit Expense** | | |
| | Salary, Wages, Bonus etc. | 871.08 | 1,114.86 |
| | Contribution to Provident Fund and Other Funds | 25.65 | 5.02 |
| | Workmen & Staff Welfare | 1.09 | 1.35 |
| | Provision for Employee Gratuity | 10.79 | 69.69 |
| | | **908.61** | **1,190.92** |
| **30** | **Finance Cost** | | |
| | Interest | 572.36 | 570.33 |
| | Other Borrowing Cost | 37.74 | 21.57 |
| | | **610.10** | **591.90** |
| | Less Tranfer to CWIP | - | - |
| | | **610.10** | **591.90** |

# VINTAGE TILES PVT. LTD.

**NOTES TO THE STATEMENT OF PROFIT AND LOSS**

| | | For the year ended March 31, 2021 | (Rs. In Lakhs) For the year ended March 31, 2020 |
|---|---|---|---|
| **31** | **Other Expenses** | | |
| | Stores and Spare Parts Consumed | 819.00 | 1,054.40 |
| | Power & Fuel | 3,208.27 | 4,126.54 |
| | Repairs and Maintainance: | | |
| | Buildings | 3.01 | 1.43 |
| | Plant & Machinery | 19.64 | 8.18 |
| | Others | - | - |
| | Rates & Taxes | 2.13 | 4.42 |
| | Insurance | 15.88 | 10.55 |
| | Travelling & Conveyance Expenses | 5.89 | 10.72 |
| | Net loss on foreign currency translations and transactions | - | - |
| | Advertisement & Sales Promotion Expenses | - | 0.10 |
| | Technical Support and Services | 155.40 | 194.40 |
| | Loss on Sale of Fixed Assets | - | 40.07 |
| | Loss on Fair Value of Investment | | |
| | Other Expenses | 47.00 | 54.02 |
| | | **4,276.23** | **5,504.83** |
| | Less Tranfer to CWIP | **-** | **-** |
| | | **4,276.23** | **5,504.83** |
| **32** | **Earning per share** | | |
| | Total profit for the year | (95.08) | (152.40) |
| | Weighted average number of equity shares of Rs. 10/- each | 90.00 | 90.00 |
| | EPS - Basic and Diluted (Per share in Rs.) | (1.06) | (1.69) |

**Notes to financial statements for the year ended 31 March 2021**
*(All amounts are in rupees Lakhs, unless otherwise stated)*

| | | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **33** | **Contingent liabilities, contingent assets and commitments** | | |
| **A.** | **(i) Contingent liabilities (not provided for) in respect of:** | | |
| | 1 Sales Tax and purchase tax demands, among others against which the Compan preferred appeal and then settled matter in Karsamadhan yojna during the year. | - | - |
| | 2 Income Tax Demand for AY 2017-18 ,(amount derived is for reversal of MAT credit due to addition made),against which company has preferred an appeal before CIT(A) | 19.10 | 19.10 |
| | (ii) Custom duty (excluding interest, if any), which may arise if obligation for exports is not fulfilled against import of capital goods under EPCG. | 155.88 | 155.88 |
| **B.** | **Commitments** | | |
| | Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances] | - | - |

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

| Name | Amount (In Foreign Currency) 31.03.2021 | Amount (In Lakhs equivalent) 31.03.2021 | Amount (In Foreign Currency) 31.03.2020 | Amount (In Lakhs equivalent) 31.03.2020 |
|---|---|---|---|---|
| **Open Exposures** | | | | |
| Receivables | $0 | - | $8,720 | 6.20 |
| Payables | - | - | - | - |

**35 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

| Particulars | For the year ended March 31, 2021 | March 31, 2020 |
|---|---|---|
| Contribution to Provident Fund and Other Funds | 25.65 | 5.02 |

Contributions to Provident and other Funds’ of the Statement of Profit & Loss includes Rs. 25.65 lakhs (Previous year Rs. 5.02 lakhs) towards

**(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 | 69.69 | - | 69.69 | | | |
| **Included in profit & loss** | | | | | | |
| Current service cost | 6.05 | - | 6.05 | 5.58 | - | 5.58 |
| Interest cost / (income) | 4.74 | - | 4.74 | - | - | - |
| Past Service Cost including curtailment | - | - | - | 64.11 | - | 64.11 |
| | 80.47 | | 80.47 | 69.69 | | 69.69 |
| **Included in OCI** | | | | | | |
| Remeasurements loss / (gain) | | | | | | |
| Actuarial loss / (gain) arising from: | (1.40) | - | (1.40) | - | - | - |
| - demographic assumptions | - | - | - | - | - | - |
| - financial assumptions | - | - | - | - | - | - |
| - experience adjustment | - | - | - | - | - | - |
| - on plan assets | - | - | - | - | - | - |
| | (1.40) | - | (1.40) | - | - | - |
| **Other** | | | | | | |
| Contributions paid by the employer | - | - | - | - | - | - |
| Benefits paid | - | - | - | - | - | - |
| Acquisition adjustment | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Closing Balance | 79.08 | | 79.08 | | | |

**B.** Plan assets

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Fund managed by insurer | 0% | 0% |
| | 0% | 0% |

**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 | 6.69% | 6.80% |
| 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.

**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 defined benefit obligation by the amounts shown below.

(Rs. in lacs)

| Particulars | March 31, 2021 Increase | March 31, 2021 Decrease | March 31, 2020 Increase | |
|---|---|---|---|---|
| Discount rate (0.5% movement) | (2.54) | 2.82 | (2.54) | 2.82 |
| Expected rate of future salary increase (0.5% movement) | 1.37 | (1.55) | 1.37 | (1.55) |

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 follow -

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

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.

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

**36 Related parties transactions**

**A. Related parties and their relationships**

**i Key Managerial Personnel (KMP) and their relatives**

| **Name** | **Relationship** |
|---|---|
| Jayantkumar Jerajbhai Patel | Director |
| Rajan Jayantkumar Patel | Director |
| Nirav Jayantkumar Patel | Director |
| Jayantkumar Jerajbhai Patel (HUF) | Director's HUF |
| Rajan Jayantkumar Patel (HUF) | Director's HUF |
| Nirav Jayantkumar Patel (HUF) | Director's HUF |

**ii Holding Company**

Somany Ceramic Ltd

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

Sungloss Ceramic Industries
Crystal Coal
Empire Microns
Gemini Microns
Imperium ceramic Pvt. Ltd.
Sudha Somany Ceramics Pvt. Ltd.

**iv Other related parties with whome Company has transactions:**

| **Name** | |
|---|---|
| Amitkumar R Sachde | Share holder of the company |
| Bineshriben V Vachhani | Share holder of the company |
| Chhotalal J Patel HUF | Share holder of the company |
| Hardik Harishbhai Halani | Share holder of the company |
| Lalitaben S Serashiya | Share holder of the company |
| Pratik Harishbhai Halani | Share holder of the company |
| Rameshkumar J Sachde | Share holder of the company |
| Valjibhai M Hulani | Share holder of the company |
| Chhotalal J Patel | Share holder of the company |
| Shreya Rajanbhai Patel | Relative of Director |
| Chandni N Patel | Relative of Director |

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

| | **For the year ended** | |
|---|---|---|
| | **31 March 2021** | **31 March 2020** |
| **a) Payments to Key Managerial Personnel and their relatives** | | |
| **Jayantkumar Jerajbhai Patel** | | |
| -Remuneration | 50.00 | 60.00 |
| outstanding balance | - | - |
| **Rajan Jayantkumar Patel** | | |
| -Remuneration | 50.00 | 60.00 |
| outstanding balance | - | - |
| **Nirav Jayantkumar Patel** | | |
| -Remuneration | 50.00 | 60.00 |
| outstanding balance | - | - |
| **Jayantkumar Jerajbhai Patel - HUF** | | |
| -Interest On loan | 8.28 | 8.28 |
| outstanding balance | - | - |
| **Rajan Jayantkumar Patel - HUF** | | |
| -Interest On loan | 3.90 | 3.90 |
| outstanding balance | - | - |
| **Nirav Jayantkumar Patel - HUF** | | |
| -Interest On loan | 5.52 | 5.52 |
| outstanding balance | - | - |

| | **For the year ended** | |
|---|---|---|
| **b)** Summary of Payment made to KMP | **31 March 2021** | **31 March 2020** |
| Short-term employee benefits | 150.00 | 180.00 |
| Post-employment benefits | | |
| - Defined contribution Plan | | |
| | 150.00 | 180.00 |

| | Nature of Transactions | For the year ended 31 March 2021 | 31 March 2020 |
|---|---|---|---|
| **c)** | **With Holding Companies are as under** | | |
| | **Somany Ceramic Ltd.** | | |
| | Sale of goods ( net of discounts & CN/DN) | 10,737.16 | 11,562.09 |
| | Sale of capital goods | - | 3.80 |
| | outstanding balance (Net of credit balance) | 35.16 | (403.12) |
| | outstanding balance of Unsecured loan | 526.00 | 526.00 |
| | Technical support service charges | 150.00 | 180.00 |
| | outstanding balance | - | - |
| | Interest on Loan | 55.23 | 63.12 |
| | outstanding balance | - | - |

| | Nature of Transactions | For the year ended 31 March 2021 | 31 March 2020 |
|---|---|---|---|
| **d)** | **With Associate enterprise are as under** | | |
| | **i) Sungloss Ceramic Industries** | | |
| | Sale of goods | - | 31.37 |
| | Purchase of goods | 450.98 | - |
| | outstanding balance | - | - |
| | **ii) Crystal Coal** | | |
| | Purchase of Raw materials | 579.43 | 858.30 |
| | outstanding balance | 74.84 | 92.63 |
| | **iii) Empire microns** | | |
| | Purchase of Raw materials & consumables | 439.76 | 763.59 |
| | outstanding balance | 11.92 | 33.06 |
| | **iv) Gemini Microns** | | |
| | Purchase of Raw materials | 323.58 | 290.41 |
| | outstanding balance | 23.34 | 23.84 |
| | **v) Imperium ceramic Pvt. Ltd.** | | |
| | Purchase of Raw materials | 621.67 | 877.09 |
| | outstanding balance | 43.00 | 2.28 |
| | **vi) Sudha Somany Ceramics Pvt. Ltd.** | | |
| | Sale of goods | 0.47 | 0.00 |
| | outstanding balance | 0.50 | 0.00 |

| Nature of Transactions | For the year ended 31 March 2021 | 31 March 2020 |
|---|---|---|
| **e) With Other related parties are as under** | | |
| **Amitkumar R Sachde** | | |
| Interest on loan | 0.78 | 0.78 |
| Salary | 2.13 | 5.10 |
| Outstanding balance | - | - |
| **Bineshriben V Vachhani** | | |
| Interest on loan | 0.90 | 0.90 |
| Salary | 3.60 | 3.60 |
| Outstanding balance | - | - |
| **Hardik Harishbhai Halani** | | |
| Interest on loan | 0.60 | 0.60 |
| Salary | 27.00 | 21.00 |
| Outstanding balance | - | - |
| **Lalitaben S Serashiya** | | |
| Interest on loan | 1.20 | 1.20 |
| Salary | 2.80 | 4.80 |
| Outstanding balance | - | - |
| **Pratik Harishbhai Halani** | | |
| Interest on loan | 0.60 | 0.60 |
| Salary | 27.00 | 21.00 |
| Outstanding balance | - | - |
| **Rameshkumar J Sachde** | | |
| Interest on loan | 3.12 | 3.12 |
| Outstanding balance | - | - |
| **Valjibhai M Hulani** | | |
| Interest on loan | 0.60 | 0.60 |
| Outstanding balance | - | - |
| **Chhotalal J Patel** | | |
| Interest on loan | 4.50 | 4.13 |
| Salary | 8.00 | 9.60 |
| Outstanding balance | - | - |
| **Shreya R Patel** | | |
| Salary | 11.00 | 9.60 |
| Outstanding balance | - | - |
| **Chandni N Patel** | | |
| Salary | 11.00 | 9.60 |
| Outstanding balance | - | - |

# VINTAGE TILES PVT. LTD.

**Notes to financial statements for the year ended 31 March 2021**
*(All amounts are in rupees Lakhs, unless otherwise stated)*

**37 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 | | 40.40 | | 39.55 |
| Cash and cash equivalents | | 30.08 | | 67.32 |
| Bank balances other than above | | 102.30 | | 72.30 |
| Others | | | | |
| Non Current | | 5.29 | | 5.29 |
| Current | | 51.58 | | 13.11 |
| | - | **229.64** | - | **197.56** |
| **Financial liabilities** | | | | |
| Long Term Borrowings | | 2,495.19 | | 2,437.82 |
| Other non-current financial liabilities | | - | | - |
| Short terms borrowings | | 1,200.79 | | 1,455.39 |
| Trade payables | | 1,163.74 | | 1,402.50 |
| Other current financial liabilities | | 583.63 | | 102.83 |
| | - | **5,443.35** | - | **5,398.55** |

**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 | 40.40 | 40.40 | 39.55 | 39.55 |
| Cash and cash equivalents | 30.08 | 30.08 | 67.32 | 67.32 |
| Bank balances other than above | 102.30 | 102.30 | 72.30 | 72.30 |
| Others | | | | |
| Non Current | 5.29 | 5.29 | 5.29 | 5.29 |
| Current | 51.58 | 51.58 | 13.11 | 13.11 |
| | **229.64** | **229.64** | **197.56** | **197.56** |
| **Financial liabilities** | | | | |
| Long term Borrowings | 2,495.19 | 2,495.19 | 2,437.82 | 2,437.82 |
| Other non-current financial liabilities | - | - | - | - |
| Short term borrowings | 1,200.79 | 1,200.79 | 1,455.39 | 1,455.39 |
| Trade payables | 1,163.74 | 1,163.74 | 1,402.50 | 1,402.50 |
| Other current financial liabilities | 583.63 | 583.63 | 102.83 | 102.83 |
| | **5,443.35** | **5,443.35** | **5,398.55** | **5,398.55** |

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 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 40.40 Lakhs (31 March 2020 – Rs. 39.55 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.

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.

**(b) 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** | | | **Contractual cash flows** | |
|---|---|---|---|---|---|
| | **31 March 2021** | **On demand** | **Less than 1 year** | **1–5 years** | **More than 5 years** |
| **Financial liabilities** | | | | | |
| Borrowings | 2495.19 | - | - | 2,495.19 | - |
| Other non-current financial liabilities | 0.00 | - | - | - | - |
| Short term borrowings | 1200.79 | 1200.79 | - | - | - |
| Trade payables | 1163.74 | - | 1163.74 | - | - |
| Other current financial liabilities | 583.63 | - | 583.63 | - | - |
| **Total Financial liabilities** | **5443.35** | **1200.79** | **1747.37** | **2495.19** | **-** |

| | **Carrying Amounts** | | | **Contractual cash flows** | |
|---|---|---|---|---|---|
| | **31 March 2020** | **On demand** | **Less than 1 year** | **1–5 years** | **More than 5 years** |
| **Financial liabilities** | | | | | |
| Borrowings | 2,437.82 | - | - | 2,437.82 | - |
| Other non-current financial liabilities | - | - | - | - | - |
| Short term borrowings | 1,455.39 | 1455.39 | - | - | - |
| Trade payables | 1,402.50 | - | 1402.50 | - | - |
| Other current financial liabilities | 102.83 | - | 102.83 | - | - |
| **Total Financial liabilities** | **5,398.55** | **1,455.39** | **1,505.33** | **2,437.82** | **-** |

**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 |
| **Financial assets** | | |
| Trade receivables | - | - |
| Trade payables | - | - |
| Payable for capital goods/(Advance given) | $0 | ($8,720) |
| Net statement of financial position exposure | - | (8,720.00) |

***Sensitivity analysis***

A reasonably possible strengthening (weakening) of the INR 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.

| | Profit or loss | | Equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **31 March 2021** | | | | |
| USD (10% movement) | - | - | - | - |
| **31 March 2020** | | | | |
| USD (10% movement) | (0.62) | 0.62 | (0.45) | 0.45 |

**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 | |
|---|---|---|
| | 31 March 2021 | 31 March 2020 |
| **Fixed-rate instruments** | | |
| Financial assets | 102.30 | 72.30 |
| Financial liabilities | 805.32 | 823.86 |
| | 907.62 | 896.16 |
| **Variable-rate instruments** | | |
| Financial assets | - | - |
| Financial liabilities | 3,473.08 | 3,157.89 |
| | 3,473.08 | 3,157.89 |

**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** | | | | |
| Secured Variable-rate instruments | (17.37) | 17.37 | (12.53) | 12.53 |
| **Cash flow sensitivity** | **(17.37)** | **17.37** | **(12.53)** | **12.53** |
| **31 March 2020** | | | | |
| Secured Variable-rate instruments | (15.79) | 15.79 | (11.40) | 11.40 |
| **Cash flow sensitivity** | **(15.79)** | **15.79** | **(11.40)** | **11.40** |

**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 |
|---|---|---|---|
| **38** | **Payments to Auditors :** | | |
| | Statutory audit fee | 1.00 | 0.95 |
| | Tax audit fee | 0.4 | 0.35 |
| | **Total** | **1.40** | **1.30** |

**39 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.

**40 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 14) | 900.00 | 900.00 |
| Other Equity (Note 15) | 557.51 | 652.59 |
| **Total Equity** | **1,457.51** | **1,552.59** |
| Non-Current Borrowings (Note 16) | 2,495.19 | 2,437.82 |
| Current maturities of Non-Current Borrowings (Note21) | 582.42 | 88.53 |
| Current Borrowings (Note 19) | 1,200.79 | 1,455.39 |
| **Total Debts** | **4,278.41** | **3,981.75** |

**41** 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** | |
| Non current borrowings | 3,077.61 | 551.25 | | | | 2,526.36 |
| Current borrowings | 1,200.79 | (254.60) | | | | 1,455.39 |
| Issue of share capital | 900.00 | - | | | | 900.00 |
| Security premium | 269.10 | - | | | | 269.10 |
| Total liabilities from financing activities | 5,447.51 | 296.65 | | | | 5,150.85 |

**42** 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

**FOR DHAMSANIYA RAJDEV & ASSOCIATES**
**CHARTERED ACCOUNTANTS**

**Pratik K Rajdev**
Partner
M.No. 137919
FRN : 144406w
Place: Morbi
Date :- 01/06/2021

**For and on behalf of Board of Directors**

**NIRAV JAYANTKUMAR PATEL**
Director
DIN: 03169055

**RAJAN JAYANTKUMAR PATEL**
Director
DIN: 03169052