

INDEPENDENT AUDITOR'S REPORT**To The Members of
Amora Ceramics Private Limited
Report on the Audit of Financial Statements****Opinion**

We have audited the accompanying financial statements of Amora Ceramics Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other the accounting principles generally accepted in India of, the state of affairs of the Company as at 31 March 2022 and its loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 ('ICAI') 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 opinion.

Emphasis of Matter

We draw attention to note no. 45 of financial statements, which state that the company has borrowing from banks on the basis of security of current assets. However, disclosure envisaged to be made as part of additional information can not be made due to pending reconciliation by the management of the company. Our report is not modified in this regards.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regards.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes 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. 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 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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

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that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 3 As required by Section 143(3) of the Act based on our audit, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity 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 Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015 as amended.

- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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.
- 4 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 financial statements. Please refer note 34 of financial statements.
- ii. The Company did not have any long-term contracts including derivative contract 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid dividend during the year covered by our audit.

D. V. Bakrania & Associates
Chartered Accountants
Firm Reg.No:127116W

CA. Dipak V Bakrania
Proprietor
Membership No: 048331
UDIN : 22048331AJPMTP6728

Place : Morbi
Date: April 30, 2022

Annexure - A to the Auditors' Report

As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India under Section 143(11) of the Companies Act, 2013 and In terms of the information and explanations sought by us and provided by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.
(B) The company does not have intangible assets and hence reporting under clause 3(i)(a)(B) of the Order is not applicable to the company.
- b) As explained to us the fixed assets of the company have been physically verified by the management at reasonable interval and according to information and explanations given to us, no materials discrepancies were noticed on such verification as compared to the books record.
- c) The title deeds of all immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31,2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly reporting under clause 3(i)(e) of the Order is not applicable to the company.
- (ii) a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate during the year, from banks on the basis of security of current assets. However, we are unable to give details whether quarterly returns or statements filed by the Company with such banks are in agreement with books of accounts of the company due to unavailability of summary of reconciliation from the management of the company.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee' state insurance, income-tax, goods and service tax, duty of customs, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Further, no undisputed statutory dues applicable to the company were in arrears as at 31 March 2022 for the period of more than six months from the date they became payable. However certain statutory dues like local tax, professional tax etc. are paid annually or as and when demand raised by the appropriate authorities.
- b) According to information and explanation given to us, there are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as 31 March 2022
- (viii) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a) According to the information and explanation given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c) The Company has not taken any fresh term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

- b) According to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period covered by our audit.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period covered by our audit.
- c) To the best of our knowledge, the company is not mandated to establish vigil mechanism during the year hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii)(a), (b) and (c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company is not mandated to have internal audit system as per provisions of section 138 hence reporting under clause 3(xiv)(a) and (b) of the Order is not applicable.
- (xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the plans of Board of Directors and Management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion, the provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year
- (xxi) The company is not required to prepare consolidated financial statement, hence reporting under clause 3(xxi) of the Order is not applicable for the year

D. V. Bakrania & Associates
Chartered Accountants
Firm Reg.No:127116W

CA. Dipak V Bakrania
Proprietor
Membership No: 048331

Place : Morbi
Date: April 30, 2022

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of AMORA CERAMICS PRIVATE LIMITED ("the Company") as of 31 March 2022 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

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maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

D. V. Bakrania & Associates
Chartered Accountants
Firm Reg.No:127116W

CA. Dipak V Bakrania
Proprietor
Membership No: 048331

Place : Morbi
Date: April 30, 2022

| AMORA CERAMICS PRIVATE LIMITED | | | |
|--|-----------------|--|---------------------------------|
| BALANCE SHEET AS AT 31st MARCH 2022 | | | |
| | | | (Rs. in Lakhs) |
| ASSETS | Note No. | As at March 31, 2022 | As at March 31, 2021 |
| <u>Non-current Assets</u> | | | |
| Property, Plant and Equipment | 3 | 1,427.52 | 1,625.58 |
| Capital work-in-progress | | - | - |
| Financial Assets | | | |
| (i) Other Financial Assets | 4 | 83.47 | 81.81 |
| Deferred Tax Assets (Net) | 19 | 125.90 | 79.18 |
| Other Non-Current Assets | 5 | - | - |
| | | 1,636.90 | 1,786.57 |
| <u>Current Assets</u> | | | |
| Inventories | 6 | 854.55 | 677.81 |
| Financial Assets | | | |
| (i) Trade Receivables | 7 | 569.59 | 208.92 |
| (ii) Cash and Cash Equivalents | 8 | 6.40 | 2.10 |
| (iii) Bank Balances other than (ii) above | 9 | - | - |
| (iv) Loans | 10 | - | - |
| (v) Other current financial assets | 11 | 88.07 | 8.82 |
| Current Tax Assets (net) | 12 | 4.58 | 2.69 |
| Other Current Assets | 13 | 57.39 | 57.48 |
| | | 1,580.56 | 957.81 |
| Total Assets | | 3,217.46 | 2,744.38 |
| EQUITY AND LIABILITIES | | | |
| <u>Equity</u> | | | |
| Equity Share Capital | 14 | 900.00 | 900.00 |
| Other Equity | 15 | (390.98) | (251.01) |
| | | 509.02 | 648.99 |
| <u>Liabilities</u> | | | |
| <u>Non-current Liabilities</u> | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 16 | 995.66 | 1,220.50 |
| (ii) Other Financial Liabilities | 17 | - | - |
| Provisions | 18 | 2.77 | 3.24 |
| Deferred Tax Liabilities (Net) | 19 | - | - |
| Other Non-Current Liabilities | | - | - |
| | | 998.43 | 1,223.75 |
| <u>Current Liabilities</u> | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 20 | 648.05 | 456.37 |
| (ii) Trade Payables | 21 | | |
| Outstanding dues of Micro Enterprises and Small Enterprises | | 989.95 | 340.66 |
| Outstanding dues other than Micro Enterprises and Small Enterprises | | - | - |
| (iii) Other Financial Liabilities | 22 | - | - |
| Other Current Liabilities | 23 | 72.00 | 74.61 |
| Provisions | 24 | 0.01 | 0.01 |
| Current tax Liabilities (net) | 25 | - | - |
| | | 1,710.01 | 871.64 |
| Total Equity and liabilities | | 3,217.46 | 2,744.38 |
| Significant Accounting Policies and Other Notes on Financials Statements 1 to 48 | | | |
| The accompanying Notes are an integral part of the Financial Statements. | | | |
| As per Report of Even date | | For and on behalf of Board of Directors | |
| For, D. V. Bakrania & Associates | | Amora Ceramics Private Limited | |
| Chartered Accountants | | | |
| Firm Reg.No:127116W | | | |
| Dipak V. Bakrania | | Devendrakumar Serasia | |
| Proprietor | | DIN : 03608826 | |
| Membership No: 048331 | | | |
| Place: Morbi | | Nareshkumar Amrutiya | |
| Date: April 30, 2022 | | DIN : 06592954 | |

AMORA CERAMICS PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(Rs. in Lakhs)

| Particulars | Note No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|----------|---|---|
| Revenue from Operations | 26 | 4,560.45 | 4,399.21 |
| Other Income | 27 | 5.84 | 5.07 |
| Total Revenue | | 4,566.29 | 4,404.28 |
| Expenses | | | |
| Cost of Materials Consumed | 28 | 2,240.56 | 2,263.40 |
| Purchases of Stock-in-Trade | | 14.38 | - |
| Change in Inventories of Finished Goods , Work-in-progress and Stock-in-Trade | 29 | (167.12) | 152.12 |
| Employee Benefit Expense | 30 | 410.81 | 391.02 |
| Finance Costs | 31 | 195.07 | 254.55 |
| Depreciation and Amortization Expense | | 237.56 | 278.80 |
| Other Expenses | 32 | 1,823.67 | 1,169.28 |
| Total Expenses | | 4,754.93 | 4,509.18 |
| Profit Before Exceptional and Extraordinary Items and Tax Exceptional Items (Net) | | (188.64) | (104.90) |
| Profit before tax | | (188.64) | (104.90) |
| Tax Expense: | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax Charge/(Credit) | | (47.26) | (26.33) |
| (3) Income Tax for earlier years | | 0.17 | - |
| Profit for the year | | (141.55) | (78.57) |
| Other Comprehensive Income | | | |
| (1) (i) Items that will not be reclassified to profit & loss | | | |
| (a) Remeasurements of the defined benefit plans | | 2.11 | 0.57 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| (a) Remeasurements of the defined benefit plans | | (0.53) | (0.14) |
| (2) (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | - | - |
| Total Comprehensive Income for the year | | (139.97) | (78.15) |
| Earnings Per Equity Share (Per Share Value of Rs. 10 each) | | | |
| Basic | 33 | (1.56) | (0.87) |
| Diluted | 33 | (1.56) | (0.87) |

As per our report of even date
For, D. V. Bakrania & Associates
Chartered Accountants
Firm Reg.No:127116W

For and on behalf of Board of Directors
Amora Ceramics Private Limited

Dipak V. Bakrania
Proprietor
Membership No: 048331

Devendrakumar Serasia
DIN : 03608826

Nareshkumar Amrutiya
DIN : 06592954

Place: Morbi
Date: April 30, 2022

| AMORA CERAMICS PRIVATE LIMITED | | |
|--|--|-----------------|
| CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022 | | |
| | (Rs. in Lakhs) | |
| | For the year ended | |
| | March 31, 2022 | March 31, 2021 |
| A. Cash Flow From Operating Activities | | |
| Net Profit Before Tax & Exceptional Items As Per Statement Of Profit & Loss | (188.64) | (104.90) |
| I. Adjusted For : | | |
| Depreciation & Amortisation Expense | 237.56 | 278.80 |
| Interest and Finance Charges | 195.07 | 254.55 |
| Interest Income | (5.16) | (5.05) |
| (Profit)/Loss on sale / Discard of Fixed Assets/ Assets written off (net) | | |
| Operating Profit Before Working Capital Changes | 238.82 | 423.39 |
| II. Adjusted For : | | |
| (Increase)/decrease Trade Receivable | (360.67) | 212.44 |
| (Increase)/decrease Other Current Financial Assets | (76.26) | (0.17) |
| (Increase)/decrease Other Current Assets | 0.09 | 5.28 |
| (Increase)/decrease Inventories | (176.74) | 132.34 |
| (Increase)/decrease Other Non-Current Assets | - | - |
| Increase/(decrease) Trade Payable | 649.29 | (62.04) |
| Increase/(decrease) Other Current Financial Liabilities | - | - |
| Increase/(decrease) Other Current Liabilities | (2.61) | 44.58 |
| Increase/(decrease) Provisions | 1.64 | 1.62 |
| Increase/(decrease) Other Non-Current Liabilities | - | - |
| Cash Generated from Operation | 273.57 | 757.45 |
| Income Taxes Refund /(paid) | (2.06) | (1.67) |
| Net Cash Flow From Operating Activities (A) | 271.51 | 755.77 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets (including CWIP) | (39.50) | (16.24) |
| Sale of Fixed Assets | - | - |
| Changes in Other Bank Balance | - | (2.12) |
| Purchase of Long Term Investment (FD) | (1.66) | (1.30) |
| Interest Income | 2.18 | 3.93 |
| Net Cash Outflow From Investing Activities (B) | (38.99) | (15.73) |
| C. Cash Flow from Financing Activities | | |
| Proceeds (Repayment) from Long Term Borrowings | (218.84) | (210.99) |
| Proceeds (Repayment) from Short Term Borrowings | 185.68 | (233.84) |
| Proceeds from issue of Share Capital / Share Application Money | - | - |
| Interest Paid | (195.07) | (306.29) |
| Dividend Paid (including corporate dividend tax) | | |
| NET CASH INFLOW FROM FINANCING ACTIVITIES (C) | (228.23) | (751.11) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 4.30 | (11.07) |
| CASH AND CASH EQUIVALENTS | | |
| Opening | | |
| Cash & Cash Equivalent | 2.10 | 13.17 |
| | 2.10 | 13.17 |
| Closing | | |
| Cash & Cash Equivalent | 6.40 | 2.10 |
| | 6.40 | 2.10 |
| Notes : | | |
| a) Cash & Cash Equivalents represents cash and bank balances refer note no. 8 | | |
| b) Figures for the previous year have been regrouped/rearranged wherever considered necessary. | | |
| c) for reconciliation of cash from Financial Activities refer note no. 44 | | |
| As per our report of even date | For and on behalf of Board of Directors | |
| For, D. V. Bakrania & Associates | Amora Ceramics Private Limited | |
| Chartered Accountants | | |
| Firm Reg.No:127116W | | |
| Dipak V. Bakrania | Devendrakumar Serasia | |
| Proprietor | DIN : 03608826 | |
| Membership No: 048331 | | |
| | Nareshkumar Amrutiya | |
| | DIN : 06592954 | |
| Place: Morbi | | |
| Date: April 30, 2022 | | |

AMORA CERAMICS PRIVATE LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

(Rs. in Lakhs)

(a) Equity Share Capital

| | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|---------------|---------------------|---------------|
| | 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 due to prior period errors | | | | |
| Restated Balance at the beginning of the year | | | | |
| 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 |

| | Share Application Money Pending Allotment | Reserves and Surplus | | | Other Comprehensive Income | Total |
|---|--|-----------------------------|-----------------|-------------------|---|-----------------|
| | | Security Premium Reserve | General Reserve | Retained earnings | Remeasurement of defined benefit plans | |
| Balance at 1 April 2020 | - | - | - | (172.86) | - | (172.86) |
| Changes in accounting policy or prior period errors | | | | | | |
| Restated balance as at 1 April 2020 | - | - | - | - | - | - |
| Share Application money received during the year | | | | | | |
| Transfer towards share allotment | - | | | | | - |
| Profit for the year | - | | | (78.57) | | (78.57) |
| Other comprehensive income/ (loss) for the year | - | | | | 0.43 | 0.43 |
| Total comprehensive income for the year | - | - | - | (78.57) | 0.43 | (78.15) |
| Transfer to general reserve | - | | | - | - | - |
| Dividend paid | - | | | - | - | - |
| Dividend distribution tax | - | | | - | - | - |
| Balance at 31 March 2021 | - | - | - | (251.43) | 0.43 | (251.01) |
| Balance at 1 April 2021 | - | - | - | (251.43) | 0.43 | (251.01) |
| Changes in accounting policy or prior period errors | | | | | | |
| Restated balance as at 1 April 2021 | - | - | - | (251.43) | 0.43 | (251.01) |
| Profit for the year | - | | | (141.55) | | (141.55) |
| Other comprehensive income for the year | - | | | | 1.58 | 1.58 |
| Total comprehensive income for the year | - | - | - | (141.55) | 1.58 | (139.97) |
| Transfer to general reserve | - | | | - | - | - |
| Dividend paid | - | | | - | - | - |
| Dividend distribution tax | - | | | - | - | - |
| Balance at 31 March 2022 | - | - | - | (392.98) | 2.00 | (390.98) |

As per our report of even date
For, D. V. Bakrania & Associates
Chartered Accountants
Firm Reg.No:127116W

For and on behalf of Board of Directors
Amora Ceramics Private Limited

Dipak V. Bakrania
Proprietor
Membership No: 048331

Devendrakumar Serasia
DIN : 03608826

Nareshkumar Amrutiya
DIN : 06592954

Place: Morbi
Date: April 30, 2022

AMORA CERAMICS PRIVATE LIMITED

1 Corporate and General Information

Amora Ceramics Private Limited referred to as “the Company” is domiciled in India. The registered office of the Company is at Morbi, Gujarat India.

The Company has is under process of setting up manufacturing plants in Morbi for Ceramic Wall Tiles. As on reporting date the plant is under construction stage.

The financial statements of the company for the year ended 31st March 2022 were authorized for issue in accordance with a resolution of the directors on April 30, 2022

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 Amora Ceramics 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 from time to time.

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 (liabilities) 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 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, if any.

Capital work-in-progress

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

De-recognition

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.

Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the 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.

2.7 Foreign currency transactions

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

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

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

2.8 Revenue Recognition

The Company recognises revenue from sale of goods when;

- i) Effective control of goods alongwith significant risks 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.

Dividends are recognised at the time the right to receive payment is established.

2.9 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.

2.10 **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.

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, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) 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 and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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 case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities 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.

2.11 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.

Unabsorbed depreciations/carried forward tax losses/MAT Credit Entitlement

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.

2.12 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.

2.13 Segment Reporting

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

2.14 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.

2.15 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, 2022.

3. Property, Plant and Equipment

(Rs. in Lakhs)

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|--------------------------|------------------------|--------------|--------------|------------------------|------------------------|---------------|-----------|------------------------|------------------------|------------------------|
| | As at 31 March 2021 | Additions | Deletions | As at 31 March 2022 | As at 31 March 2021 | Additions | Deletions | As at 31 March 2022 | As at 31 March 2022 | As at 31 March 2021 |
| Tangible Assets | | | | | | | | | | |
| Freehold land | 144.03 | | | 144.03 | - | - | | - | 144.03 | 144.03 |
| Building | 557.69 | - | | 557.69 | 135.47 | 40.11 | | 175.58 | 382.11 | 422.22 |
| Plant and Machineries | 1,839.58 | 38.81 | | 1,878.39 | 787.27 | 194.88 | | 982.16 | 896.23 | 1,052.30 |
| Vehicles | 0.43 | - | | 0.43 | 0.28 | 0.05 | | 0.32 | 0.10 | 0.15 |
| Furniture and fixtures | 17.53 | - | | 17.53 | 11.10 | 2.06 | | 13.16 | 4.36 | 6.42 |
| Computers | 7.22 | 0.69 | | 7.91 | 6.75 | 0.46 | | 7.21 | 0.69 | 0.46 |
| Total | 2,566.46 | 39.50 | - | 2,605.97 | 940.88 | 237.56 | - | 1,178.44 | 1,427.52 | 1,625.58 |
| Capital work-in-progress | - | 35.53 | 35.53 | - | | | | - | - | - |
| Total | 2,566.46 | 75.03 | 35.53 | 2,605.97 | 940.88 | 237.56 | - | 1,178.44 | 1,427.52 | 1,625.58 |

1. Assets pledged and Hypothecated against borrowings:

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

NOTES TO THE BALANCE SHEET

| | As At March 31, 2022 | (Rs. in Lakhs) As At March 31, 2021 |
|--|-------------------------|---|
| 4 Other Non-Current Financial Assets | | |
| (Unsecured, Considered Good Unless Stated Otherwise) | | |
| Bank Deposit (Pledge with Government Department) | | |
| Fixed Deposits held as Margin Money with Banks/ Financial institutions | 83.47 | 81.81 |
| Other Bank Deposits (NSC) | | |
| | 83.47 | 81.81 |
| 5 Other Non-Current Assets | | |
| Advance to Capital Creditors | - | - |
| Prepaid Expenses | - | - |
| Others | - | - |
| | - | - |
| 6 Inventories | | |
| <u>(Valued at Lower of Cost and Net Realisable Value)</u> | | |
| <u>(As taken , Valued and Certified by the Management)</u> | | |
| Raw Materials & Packing Material | 97.28 | 87.93 |
| Work -in-Progress | 33.51 | 17.15 |
| Finished Goods | 715.11 | 564.34 |
| Stores and Spares | 8.65 | 8.39 |
| | 854.55 | 677.81 |
| a. Inventories are hypothecated to secure short-term borrowings. Refer to Note 20 | | |
| 7 Trade Receivables | | |
| i) Secured, Considered Good | | |
| ii) Unsecured, Considered Good | 569.59 | 208.92 |
| iii) Have Significant increase in Credit Risk | | |
| iv) Considered Doubtful - Credit Impaired | | |
| | 569.59 | 208.92 |
| Less: Allowances for credit losses | | |
| | 569.59 | 208.92 |
| a. Including Rs. 438.40 Lacs (Previous year Rs. 208.41) receivable from related parties. | | |
| b. Trade Receivables are hypothecated to secure short-term borrowings. Refer to note no. 20. | | |
| c. Trade Receivables are generally non-interest bearing and are generally on terms of 60 to 75 days. | | |
| d. For trade receivable ageing schedule. Refer to note no. 38(II.) | | |
| 8 Cash & Cash Equivalents | | |
| <u>(As certified by the management)</u> | | |
| <u>Balance with Banks :</u> | | |
| Current Accounts | - | - |
| Cash in Hand | 6.40 | 2.10 |
| | 6.40 | 2.10 |
| 9 Other Bank Balances | | |
| <u>Earmarked Balance with Banks</u> | | |
| Bank Deposit (Pledge with Government Department) | - | |
| Less:- Shown Under "Other Financial Assets"(More than 12 months) | - | |
| Unclaimed Dividend Accounts | | |
| Other Bank Balance | | |
| Fixed Deposits held as Margin Money with Banks/ Financial institutions | 83.47 | 81.81 |
| Less:- Shown Under "Other Financial Assets"(More than 12 months) | (83.47) | (81.81) |
| | - | - |

NOTES TO THE BALANCE SHEET

| | As At March 31, 2022 | (Rs. in Lakhs) As At March 31, 2021 |
|--|-------------------------|---|
| 10 Loans | | |
| (Unsecured, Considered Good Unless Stated Otherwise) | | |
| Inter Corporate Deposit:- | - | - |
| | - | - |
| 11 Other current financial assets | | |
| Accrued Interest on FD | 11.64 | 8.65 |
| Electric Duty Rebate Receivable | 0.26 | - |
| Deposit with Others | 76.17 | 0.17 |
| | 88.07 | 8.82 |
| 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 Lakhs (Previous Year Rs. Nil Lakhs)] | 4.58 | 2.69 |
| | 4.58 | 2.69 |
| 13 Other Current Assets | | |
| Prepaid Expenses | 2.39 | 2.95 |
| Advance to Vendors | 54.46 | 54.41 |
| Advance to Trade payable | - | 0.02 |
| Balance with Government Authorities (a) | 0.54 | 0.11 |
| | 57.39 | 57.48 |
| (a) Mainly includes GST credit receivable of IGST, CGST and SGST Receivables | | |

NOTES TO THE BALANCE SHEET

(Rs. in Lakhs)

| | As At March 31, 2022 | As At March 31, 2021 | |
|---|-----------------------------|-----------------------------|-------------------------------------|
| 14 Equity Share Capital | | | |
| <u>Authorised</u> | | | |
| Equity Shares 95,00,000 (Previous year - 95,00,000) of Rs. 10 /-each | 950.00 | 950.00 | |
| <u>Issued, Subscribed and Paid up</u> | | | |
| Equity Shares 90,00,000 (Previous year - 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 proportion 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 beginning 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) | | | |
| i) M/s. Somany Ceramics Ltd. | 45,90,000 | 45,90,000 | |
| ii) Mr. Devenbhai Serasia | 7,15,000 | 7,15,000 | |
| iii) Mr. Nareshbhai Amrutiya | 6,75,000 | 6,75,000 | |
| | 59,80,000 | 59,80,000 | |
| d. Shareholdings of Promoters at the end of March 31, 2022 | | | |
| No. Promoter Name | No. of Shares | % of total Shares | % Change during the year |
| 1 Somany Ceramics Limited. | 4590000 | 51.00% | - |
| 2 Devendrakumar Laljibhai Serasia | 715000 | 7.94% | - |
| 3 Nareshkumar Prabhulal Amrutiya | 675000 | 7.50% | - |
| 4 Vasiyani Champaben Avchlbhai | 270000 | 3.00% | - |
| 5 Amrutiya Hiteshkumar Prabhulal | 270000 | 3.00% | - |
| 6 Ravindrakumar Maganlal Patel | 270000 | 3.00% | - |
| 7 Prabhulal Ramjibhai Amrutiya | 200000 | 2.22% | - |
| 8 Kantilal S. Patel | 190000 | 2.11% | - |
| 9 Patel Dakshaben Maganlal | 180000 | 2.00% | - |
| 10 Dineshbhai Tribhovanbhai Bhadja | 180000 | 2.00% | - |
| 11 Dipakkumar Jivrajbhai Serasiya | 160000 | 1.78% | - |
| 12 Kavathiya Jitendra Hansarajbhai | 111500 | 1.24% | - |
| 13 Kavthiya Sanjaykumar Hansrajbhai | 111500 | 1.24% | - |
| 14 Jitendra Jivrajbhai Sherasiya | 110000 | 1.22% | - |
| 15 Becharbhai Narshibhai Bhatasana | 100000 | 1.11% | - |
| 16 Amit Becharbhai Bhatasana | 100000 | 1.11% | - |
| 17 Mansukhbhai Savjibhai Sherashiya | 100000 | 1.11% | - |
| 18 Chimanlal Govindbhai Viramgama | 90000 | 1.00% | - |
| 19 Ankit Arvindkumar Gajjar | 90000 | 1.00% | - |
| 20 Nikita Amit Bhatasana | 70000 | 0.78% | - |
| 21 Mansukh Jasmatbhai Padsumbia | 67500 | 0.75% | - |
| 22 Sangitaben Nareshbhai Amrutia | 65000 | 0.72% | - |
| 23 Charulataben Hiteshbhai Amrutiya | 50000 | 0.56% | - |
| 24 Mahadevbhai Ganeshbhai Jakasania | 45000 | 0.50% | - |
| 25 Padsumbiya Arvind Jashmatbhai | 40000 | 0.44% | - |
| 26 Hansaben Sanjaybhai Kavathiya | 40000 | 0.44% | - |
| 27 Jivrajbhai Savjibhai Sherashia | 40000 | 0.44% | - |
| 28 Laljibhai Savjibhai Serasiya | 35000 | 0.39% | - |
| 29 Mayur Bipinbhai Padsumbiya | 15000 | 0.17% | - |

NOTES TO THE BALANCE SHEET

(Rs. in Lakhs)

| | | As At March 31, 2022 | As At March 31, 2021 |
|--------------------------------------|----------------|-------------------------|-------------------------|
| 30 Chirag Bipinbhai Padsumbiya | 12500 | 0.14% | - |
| 31 Manishaben Jitendrabhai Kavathiya | 7000 | 0.08% | - |
| Total | 9000000 | 100% | 0.00% |

Shareholdings of Promoters at the end of March 31, 2021

| No. Promoter Name | No. of Shares | % of total Shares | % Change during the year |
|---------------------------------------|----------------|-------------------|--------------------------|
| 1 Somany Ceramics Limited. | 4590000 | 51.00% | - |
| 2 Devendrakumar Laljibhai Serasia | 715000 | 7.94% | - |
| 3 Nareshkumar Prabhulal Amrutiya | 675000 | 7.50% | - |
| 4 Vasiyani Champaben Avchlbhai | 270000 | 3.00% | - |
| 5 Amrutiya Hiteshkumar Prabhulal | 270000 | 3.00% | - |
| 6 Ravindrakumar Maganlal Patel | 270000 | 3.00% | - |
| 7 Prabhulal Ramjibhai Amrutiya | 200000 | 2.22% | - |
| 8 Kantilal S. Patel | 190000 | 2.11% | - |
| 9 Patel Dakshaben Maganlal | 180000 | 2.00% | - |
| 10 Dineshbhai Tribhovanbhai Bhadja | 180000 | 2.00% | - |
| 11 Dipakkumar Jivrajbhai Serasiya | 160000 | 1.78% | - |
| 12 Kavathiya Jitendra Hansarajbhai | 111500 | 1.24% | - |
| 13 Kavathiya Sanjaykumar Hansarajbhai | 111500 | 1.24% | - |
| 14 Jitendra Jivrajbhai Sherasiya | 110000 | 1.22% | - |
| 15 Becharbhai Narshibhai Bhatasana | 100000 | 1.11% | - |
| 16 Amit Becharbhai Bhatasana | 100000 | 1.11% | - |
| 17 Mansukhbhai Savjibhai Sherashiya | 100000 | 1.11% | - |
| 18 Chimanlal Govindbhai Viramgama | 90000 | 1.00% | - |
| 19 Ankit Arvindkumar Gajjar | 90000 | 1.00% | - |
| 20 Nikita Amit Bhatasana | 70000 | 0.78% | - |
| 21 Mansukh Jasmatbhai Padsumbia | 67500 | 0.75% | - |
| 22 Sangitaben Nareshbhai Amrutia | 65000 | 0.72% | - |
| 23 Charulataben Hiteshbhai Amrutiya | 50000 | 0.56% | - |
| 24 Mahadevbhai Ganeshbhai Jakasania | 45000 | 0.50% | - |
| 25 Padsumbiya Arvind Jashmatbhai | 40000 | 0.44% | - |
| 26 Hansaben Sanjaybhai Kavathiya | 40000 | 0.44% | - |
| 27 Jivrajbhai Savjibhai Sherashia | 40000 | 0.44% | - |
| 28 Laljibhai Savjibhai Serasiya | 35000 | 0.39% | - |
| 29 Mayur Bipinbhai Padsumbiya | 15000 | 0.17% | - |
| 30 Chirag Bipinbhai Padsumbiya | 12500 | 0.14% | - |
| 31 Manishaben Jitendrabhai Kavathiya | 7000 | 0.08% | - |
| Total | 9000000 | 100% | 0.00% |

15 Other Equity**Share Application Money Pending Allotment**

| | | |
|--------------------------------------|---|---|
| Balance at the beginning of the year | - | - |
| Addition/ (Transfer) during the year | - | - |
| Closing balance | - | - |

Retained earnings:

| | | |
|--|--------------|----------|
| Balance at the beginning of the year | (251.43) | (172.86) |
| Transfer from Statement of Profit and Loss | (141.55) | (78.57) |
| Amount available for appropriation | (392.98) | (251.43) |
| Less : Appropriation: | | |
| Closing Balance | (A) (392.98) | (251.43) |

Remeasurement of defined benefit plans

| | | |
|---|------------------|----------|
| Balance at the beginning of the year | 0.43 | - |
| Other comprehensive income for the year | 1.58 | 0.43 |
| Closing Balance | (B) 2.00 | 0.43 |
| Total Retained Earnings | (A)+(B) (390.98) | (251.01) |

Total of Reserves & Surplus

| | | |
|--|----------|----------|
| | (390.98) | (251.01) |
|--|----------|----------|

NOTES TO THE BALANCE SHEET

| | As At March 31, 2022 | (Rs. in Lakhs) As At March 31, 2021 |
|---|-------------------------|---|
| 16 Borrowings | | |
| Secured | | |
| Term Loans | | |
| - From Banks | 702.16 | 921.00 |
| - From Others | - | - |
| Unsecured | | |
| - Bank | - | - |
| - From other* | 515.50 | 515.50 |
| | 1,217.66 | 1,436.50 |
| Less: Current Maturities of Long Term Borrowings | | |
| Term loans | | |
| - From Banks | 222.00 | 216.00 |
| - From Others | | |
| Unsecured | | |
| - Bank | - | - |
| - From other* | - | - |
| | 222.00 | 216.00 |
| | 995.66 | 1,220.50 |
| * from related party Rs. 515.50 Lacs as on 31.03.2022 (Rs. 515.50 Lacs as on 31.03.2021). | | |
| Notes | | |
| 1 Rupee Loan of Rs. 702.16 lacs (Previous Year Rs. 921.00 lacs) from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. The said loan is tentatively repayable in FY23 (Rs. 222 lacs), FY24 (Rs. 228 lacs), FY25 (Rs. 234 lacs) and FY26 (Balance amount). | | |
| 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. | | |
| 17 Other Financial Liabilities | | |
| Trade Deposit | - | - |
| Less:-Current Maturities | - | - |
| | - | - |

NOTES TO THE BALANCE SHEET

(Rs. in Lakhs)

| | As At March 31, 2022 | As At March 31, 2021 | |
|---|--------------------------|-------------------------------------|-------------------------------------|
| 18 Provisions | | | |
| Employees Benefits: | | | |
| - Provision for gratuity | 2.77 | 3.24 | |
| | 2.77 | 3.24 | |
| 19 Deferred tax liabilities (net) | | | |
| A. Movement in deferred tax balances | | | |
| | As at 31st March 2021 | Recognised in P&L | As at 31st March 2022 |
| Deferred Tax Assets | | | |
| Property, plant and equipment | 25.58 | 3.78 | 29.37 |
| Unabsorbed Depreciation | 52.78 | 43.06 | 95.84 |
| Gratuity Provision (recognised in other comprehensive income) | (0.14) | (0.53) | (0.67) |
| Gratuity Provision (recognised in profit or loss) | 0.96 | 0.41 | 1.37 |
| Sub- Total (a) | 79.18 | 46.73 | 125.90 |
| Deferred Tax Liabilities | | | |
| Property, plant and equipment | - | | - |
| Other Intangible assets | - | | - |
| Others | - | | - |
| Sub- Total (b) | - | - | - |
| Net Deferred Tax Liability (b)-(a) | (79.18) | (46.73) | (125.90) |
| | As at 01st April 2020 | Recognised in P&L | As at 31st March 2021 |
| Deferred Tax Assets | | | |
| Property, plant and equipment | 18.68 | 6.90 | 25.58 |
| Unabsorbed Depreciation | 33.76 | 19.02 | 52.78 |
| Gratuity Provision (recognised in other comprehensive income) | - | (0.14) | (0.14) |
| Gratuity Provision (recognised in profit or loss) | 0.56 | 0.41 | 0.96 |
| Sub- Total (a) | 52.99 | 26.18 | 79.18 |
| Deferred Tax Liabilities | | | |
| Property, plant and equipment | - | - | - |
| Other Intangible assets | - | - | - |
| Others | - | - | - |
| Sub- Total (b) | - | - | - |
| Net Deferred Tax Liability (b)-(a) | (52.99) | (26.18) | (79.18) |
| B. Amounts recognised in profit or loss | | | |
| | | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Current tax expense | | | |
| Current year | | - | - |
| Income related to earlier year | | 0.17 | - |
| | | 0.17 | - |
| Deferred tax expense | | | |
| Origination and reversal of temporary differences | | (47.26) | (26.33) |
| Change in recognised deductible temporary differences | | - | - |
| | | (47.26) | (26.33) |
| Total Tax Expense | | (47.09) | (26.33) |

NOTES TO THE BALANCE SHEET

| | As At March 31, 2022 | (Rs. in Lakhs) As At March 31, 2021 |
|---|---|---|
| D. Reconciliation of effective tax rate | | |
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Profit before tax from continuing operations | (188.64) | (104.90) |
| Tax using the Company's domestic tax rate @25.168% (Previous Year @ 25.168%) | (47.48) | (26.40) |
| Tax effect of: | | |
| Non-deductible expenses | 0.11 | 0.07 |
| Due to rate change | - | - |
| Tax incentives | | |
| Changes in estimates related to prior years | 0.17 | - |
| Previously unrecognised deferred tax now recognised | 0.11 | - |
| At the Effective Income Tax Rate of 24.96% (Previous Year @ 25.10%) | (47.10) | (26.33) |
| 20 Borrowings | | |
| Secured Loans:* | | |
| Working Capital Facilities from Banks | | |
| - Cash Credit | 426.05 | 240.37 |
| Current Maturities of Long Term Borrowings | 222.00 | 216.00 |
| | 648.05 | 456.37 |
| *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 | | |
| 21 Trade Payables | | |
| Outstanding dues of Micro Enterprises and Small Enterprises# | - | - |
| Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 989.95 | 340.66 |
| | 989.95 | 340.66 |
| # The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Hence the necessary disclosure required under MSME Act, 2006 can not be made. | | |
| ## For trade payable ageing schedule. Refer to note no. 42 | | |
| ### Including Rs. 489.60 Lacs (Previous year Rs. 93.94) payable to related parties. | | |
| 22 Other Financial Liabilities | | |
| Interest Accrued and Due on Borrowings | - | - |
| Interest Accrued But Not Due on Borrowings | - | - |
| Creditors for capital goods | - | - |
| | - | - |
| 23 Other Current Liabilities | | |
| Statutory Dues | 61.61 | 65.39 |
| Advance from Customers | 0.49 | - |
| Other Liabilities | 9.90 | 9.22 |
| | 72.00 | 74.61 |
| 24 Short Term Provision | | |
| Employees Benefits: | | |
| - Provision for gratuity | 0.01 | 0.01 |
| | 0.01 | 0.01 |
| 25 Current tax Liabilities (net) | | |
| Income Tax [Net of Advance of Rs. Nil Lakhs (Previous Year Rs. Nil Lakhs)] | - | - |
| | - | - |

NOTES TO THE STATEMENT OF PROFIT AND LOSS

| | For the year ended March 31, 2022 | (Rs. in Lakhs) For the year ended March 31, 2021 |
|---|--------------------------------------|--|
| 26 Revenue from Operations | | |
| Sales of manufactured goods (tiles) | 4,543.05 | 4,399.21 |
| Sales of traded goods | 17.40 | - |
| Other operating revenue | | |
| Scrap Sales | - | - |
| | 4,560.45 | 4,399.21 |
| 27 Other Income | | |
| Interest Income | 5.34 | 5.07 |
| Duty Drawback Income | 0.26 | - |
| Net Gain/(Loss) on foreign currency transactions | 0.24 | - |
| Misc account written off and Round off adjustment | 0.00 | - |
| Miscellaneous Receipts | - | - |
| | 5.84 | 5.07 |
| 28 Cost of Materials Consumed | | |
| Raw Material Consumed | 1,871.20 | 1,986.65 |
| Packing Material Consumed | 369.37 | 276.76 |
| | 2,240.56 | 2,263.40 |
| 29 Change in Inventories of Finished Goods | | |
| Work-in-progress and Stock-in-Trade | | |
| Closing Stock | | |
| Finished Goods | 715.11 | 564.34 |
| Stock-in-Trade | | |
| Total Finished Goods | 715.11 | 564.34 |
| Work-in-Progress | 33.51 | 17.15 |
| | 748.61 | 581.49 |
| Less: Opening Stock | | |
| Finished Goods | 564.34 | 708.58 |
| Stock-in-Trade | | |
| Total Finished Goods | 564.34 | 708.58 |
| Work-in-Progress | 17.15 | 25.03 |
| | 581.49 | 733.61 |
| (Increase)/ Decrease in Stock | (167.12) | 152.12 |
| Add / (Less): (Increase) Decrease in Excise duty on Stock | (167.12) | 152.12 |

NOTES TO THE STATEMENT OF PROFIT AND LOSS

| | For the year ended March 31, 2022 | (Rs. in Lakhs) For the year ended March 31, 2021 |
|--|--------------------------------------|--|
| 30 Employee Benefit Expense | | |
| Salary, Wages, Bonus etc. | 408.09 | 389.42 |
| Contribution to Provident Fund and Other Funds | 2.72 | 0.95 |
| Workmen & Staff Welfare | - | 0.65 |
| | 410.81 | 391.02 |
| 31 Finance Cost | | |
| Interest | 190.30 | 248.88 |
| Other Borrowing Cost | 4.77 | 5.67 |
| | 195.07 | 254.55 |
| 32 Other Expenses | | |
| Stores and Spare Parts Consumed | 46.57 | 37.79 |
| Power & Fuel | 1,696.85 | 1,073.73 |
| Repairs and Maintainance: | | |
| Buildings | - | - |
| Plant & Machinery | 51.34 | 41.43 |
| Others | - | - |
| Rent | - | - |
| Rates & Taxes | 0.09 | 0.09 |
| Insurance | 4.65 | 4.92 |
| Travelling & Conveyance Expenses | 0.73 | - |
| Net loss on foreign currency translations and transactions | - | - |
| Selling & Distribution Expenses | 5.16 | - |
| Freight Outward and Handling Charges | 3.11 | - |
| Technical Support and Services | 3.52 | 3.33 |
| Loss on Sale of Fixed Assets | - | - |
| Fixed Assets Discard /Written Off | - | - |
| Other Expenses | 11.63 | 7.98 |
| | 1,823.67 | 1,169.28 |
| 33 Earning per share | | |
| Total profit for the year | (139.97) | (78.15) |
| Weighted average number of equity shares of Rs. 10/- each | 90 | 90 |
| EPS - Basic and Diluted (Per share in Rs.) | (1.56) | (0.87) |

AMORA CERAMICS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022
(All amounts are in rupees lakhs, unless otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 34 Contingent liabilities, contingent assets and commitments | | |
| A. Others | | |
| Bank Guarantees Outstanding for EPCG | 39.30 | 39.30 |
| Bank Guarantees Outstanding for PGVCL | 36.50 | 36.50 |
| Bank Guarantees Outstanding for GGL | 112.65 | 112.65 |
| B. Commitments | | |
| Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances] | - | - |

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

| Name | Amount (In Foreign Currency) 31.03.2022 | Amount (In Rs. equivalent) 31.03.2022 | Amount (In Foreign Currency) 31.03.2021 | Amount (In Rs. equivalent) 31.03.2021 |
|----------------------------|--|--|--|---|
| Open Exposures | | | | |
| Payables (EURO) | - | - | - | - |
| Advance to Suppliers (USD) | - | - | - | - |

36 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 | |
|---|--------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Contribution to government Provident Fund | 2.72 | 0.95 |

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India 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 the employees 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, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Net defined benefit liability / (asset) | 2.78 | 3.25 |
| Liability for Gratuity | | |
| Non-current | 2.77 | 3.24 |
| Current | 0.01 | 0.01 |

B. 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:

| | 31 March 2022 | | | 31 March 2021 | | |
|---|----------------------------|---------------------------|--|----------------------------|---------------------------|--|
| | 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 |
| Balance as at 1 April | 3.25 | - | 3.25 | 2.21 | - | 2.21 |
| Included in profit or loss | | | | | | |
| Current service cost | 1.49 | - | 1.49 | 1.47 | - | 1.47 |
| Interest cost / (income) | 0.15 | - | 0.15 | 0.15 | - | 0.15 |
| | 1.64 | - | 1.64 | 1.62 | - | 1.62 |
| Included in OCI | | | | | | |
| Remeasurements loss / (gain) | | | | | | |
| - Actuarial loss / (gain) arising from: | | | | | | |
| - demographic assumptions | | | | | | |
| - financial assumptions | (1.17) | - | (1.17) | (0.18) | - | (0.18) |
| - experience adjustment | (0.94) | - | (0.94) | (0.39) | - | (0.39) |
| - on plan assets | | | | | | |
| | (2.11) | - | (2.11) | (0.57) | - | (0.57) |
| Other | | | | | | |
| Contributions paid by the employer | | | | | | |
| Benefits paid | | | | | | |
| Acquisition adjustment | | | | | | |
| | - | - | - | - | - | - |
| Balance as at 31 March | 2.78 | - | 2.78 | 3.25 | - | 3.25 |

C. Actuarial assumptions

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

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Discount rate | 7.51% | 7.08% |
| Expected rate of future salary increase | 3.50% | 5.00% |
| Mortality | | |

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.

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.

| | 31 March 2022 | | 31 March 2021 | |
|---|---------------|----------|---------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (0.42) | 0.53 | (0.54) | 0.69 |
| Expected rate of future salary increase (1% movement) | 0.55 | (0.44) | 0.69 | (0.56) |

Sensitivities due to mortality & 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 & 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.

F. 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.

37 Related parties**A. Related parties and their relationships****i Key Managerial Personnel (KMP) and their relatives**

| Name | Relationship |
|-------------------------|---------------------|
| Mr. Devenbhai Serasia | Director |
| Mr. Nareshbhai Amrutiya | Director |

ii Holding Company

| | |
|-------------------------|-----------------|
| Somany Ceramics Limited | Holding Company |
|-------------------------|-----------------|

iv. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:
Nil**v Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year**

M/s. Amora Tiles Pvt. Ltd.
M/s. Comander Vitrified Pvt. Ltd.

vii. Other related parties with which Company has transactions:

| Name | Relation |
|-----------------------------|-----------------------------|
| Mrs. Varshaben D. Serasia | Director - Devenbhai's wife |
| Mrs. Sangitaben N. Amrutiya | Director - Naresh's wife |
| Mr. Prabhubhai R. Amrutiya | Director - Naresh's father |

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

| | Key Managerial Personnel For the year ended | |
|--|--|--------------------------|
| | 31 March 2022 | 31 March 2021 |
| a) Payments to Key Managerial Personnel and their relatives | | |
| Mr. Devenbhai Serasia | | |
| -Remuneration | - | - |
| -Unsecured Loan Interest | 2.07 | 2.41 |
| Closing Balance | - | - |
| Mrs. Varshaben D. Serasia | | |
| -Remuneration | 44.09 | 44.09 |
| -Unsecured Loan Interest | - | - |
| Closing Balance | - | - |
| Mr. Nareshbhai Amrutiya | | |
| -Remuneration | 22.22 | 22.22 |
| -Unsecured Loan Interest | - | - |
| Closing Balance | - | - |
| Mrs. Sangitaben N. Amrutiya | | |
| -Remuneration | 6.10 | 6.10 |
| -Unsecured Loan Interest | 2.47 | 2.88 |
| Closing Balance | - | - |
| Mr. Prabhubhai R. Amrutiya | | |
| -Remuneration | - | - |
| -Unsecured Loan Interest | 1.80 | 2.10 |
| Closing Balance | - | - |
| <u>Summary of payment made to KMP</u> | | |
| Short term employee benefits* | 72.41 | 72.41 |

* excludes provision in respect of gratuity and compensated absences as the same is determined on an actuarial basis for company as whole.

| | | For the year ended | |
|-------------------------------|--|--------------------|----------|
| | | 31 March | 31 March |
| | | 2022 | 2021 |
| Nature of Transactions | | | |
| b) | With Holding Companies are as under | | |
| | - Somany Ceramic Ltd. | | |
| | Unsecured Loan Interest Paid | 23.41 | 27.31 |
| | Sales | 3,738.66 | 4,393.41 |
| | Unsecured Loan Taken | - | - |
| | Unsecured Loan Repaid | - | - |
| | Closing Balance | | |
| | Trade Receivable | 387.67 | 208.41 |
| | Unsecured Loan Payable | 260.10 | 260.10 |
| | Interest Payable | - | - |
| c) | Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year | | |
| | - M/s. Amora Tiles Pvt. Ltd. | | |
| | Purchase | 903.33 | 856.24 |
| | Sales | - | 6.49 |
| | Closing Balance | | |
| | Trade Payable | 489.60 | 93.94 |
| | - M/s. Commander Vitrified Pvt. Ltd. | | |
| | Sales | 153.37 | - |
| | Closing Balance | | |
| | Trade Receivable | 50.74 | - |

AMORA CERAMICS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2022

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

38 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| Financial assets | | | | |
| Investments | | | | |
| Non Current | | | | |
| Current | | | | |
| Loans | | | | |
| Non Current | | | | |
| Current | | - | | - |
| Trade receivables | | 569.59 | | 208.92 |
| Cash and cash equivalents | - | 6.40 | - | 2.10 |
| Bank balances other than above | | - | | - |
| Others | | | | |
| Non Current | - | 83.47 | - | 81.81 |
| Current | - | 88.07 | - | 8.82 |
| | - | 747.53 | - | 301.65 |
| Financial liabilities | | | | |
| Long Term Borrowings | | 995.66 | | 1,220.50 |
| Other non-current financial liabilities | | | | |
| Short terms borrowings | | 648.05 | | 456.37 |
| Trade payables | | 989.95 | | 340.66 |
| Other current financial liabilities | | - | | - |
| | - | 2,633.66 | - | 2,017.53 |

B. Financial assets and liabilities measured at amortised cost

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial assets | | | | |
| Non-Current Investment | | | | |
| Loans | | | | |
| Non Current | | | | |
| Current | - | - | - | - |
| Trade receivables | 569.59 | 569.59 | 208.92 | 208.92 |
| Cash and cash equivalents | 6.40 | 6.40 | 2.10 | 2.10 |
| Bank balances other than above | - | - | - | - |
| Others | | | | |
| Non Current | 83.47 | 83.47 | 81.81 | 81.81 |
| Current | 88.07 | 88.07 | 8.82 | 8.82 |
| | 747.53 | 747.53 | 301.65 | 301.65 |
| Financial liabilities | | | | |
| Long term Borrowings | 995.66 | 995.66 | 1,220.50 | 1,220.50 |
| Other non-current financial liabilities | - | - | - | - |
| Short term borrowings | 648.05 | 648.05 | 456.37 | 456.37 |
| Trade payables | 989.95 | 989.95 | 340.66 | 340.66 |
| Other current financial liabilities | - | - | - | - |
| | 2,633.66 | 2,633.66 | 2,017.53 | 2,017.53 |

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

AMORA CERAMICS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2022***(All amounts are in rupees lakhs, unless otherwise stated)***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 and export market. 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 analysed 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.

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.

The gross carrying amount of trade receivables is Rs. 569.59 Lacs (31 March 2021 – Rs. 208.92 Lacs)

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.

Reconciliation of loss allowance provision – Trade receivables

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------|------------------------|------------------------|
| Opening balance | | |
| Changes in loss allowance | | |
| Closing balance | - | - |

Trade Receivables ageing schedule for the period ended 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|------------------|-----------|-----------|-------------------|---------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 557.67 | 11.92 | - | - | - | - | 569.59 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 557.67 | 11.92 | - | - | - | - | 569.59 |

AMORA CERAMICS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022
(All amounts are in rupees lakhs, unless otherwise stated)
Trade Receivables ageing schedule for the period ended 31 March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|------------------|-------------|-----------|-------------------|---------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 208.41 | 0.20 | - | 0.31 | - | - | 208.92 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 208.41 | 0.20 | - | 0.31 | - | - | 208.92 |

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.

(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 2022 | Total | Contractual cash flows | | | |
|---|-----------------------------------|----------------|------------------------|------------------|---------------|-------------------|
| | | | On demand | Less than 1 Year | 1–5 years | More than 5 years |
| Financial liabilities | | | | | | |
| Borrowings | 995.66 | 995.66 | | | 462.00 | 533.66 |
| Other non-current financial liabilities | 0.00 | 0.00 | | | | |
| Short term borrowings | 648.05 | 648.05 | 426.05 | 222.00 | | |
| Trade payables | 989.95 | 989.95 | | 989.95 | | |
| Other current financial liabilities | 0.00 | 0.00 | - | - | | |
| Total non-derivative liabilities | 2633.66 | 2633.66 | 426.05 | 1211.95 | 462.00 | 533.66 |

| | Carrying Amounts 31 March 2021 | Total | Contractual cash flows | | | |
|---|-----------------------------------|-----------------|------------------------|------------------|---------------|-------------------|
| | | | On demand | Less than 1 Year | 1–5 years | More than 5 years |
| Financial liabilities | | | | | | |
| Borrowings | 1,220.50 | 1,220.50 | | | 684.00 | 536.50 |
| Other non-current financial liabilities | - | - | | | | |
| Short term borrowings | 456.37 | 456.37 | 240.37 | 216.00 | | |
| Trade payables | 340.66 | 340.66 | | 340.66 | | |
| Other current financial liabilities | - | - | - | - | - | - |
| Total non-derivative liabilities | 2,017.53 | 2,017.53 | 240.37 | 556.66 | 684.00 | 536.50 |

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 and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Company also take help from external consultants who for views on the currency rates in volatile foreign exchange markets.

AMORA CERAMICS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022
(All amounts are in rupees lakhs, unless otherwise stated)
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 (Amount in INR)

| | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|-----|---------------------|-----|
| | USD | EUR | USD | EUR |
| Financial assets | | | | |
| Payable for capital goods | - | - | - | - |
| Net statement of financial position exposure | - | - | - | - |

The following significant exchange rates have been applied

| | Average Rates | | Year end spot rates | |
|-------|---------------|---------------|---------------------|---------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| USD 1 | - | - | - | - |
| EUR 1 | - | - | - | - |

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD & Euro 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 2022 | | | | |
| EURO (10% movement) | - | - | - | - |
| USD (10% movement) | - | - | - | - |
| 31 March 2021 | | | | |
| EURO (10% movement) | - | - | - | - |
| USD (10% movement) | - | - | - | - |

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2022, the Company's borrowings at variable rate were denominated in Rupees.

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

Exposure to interest rate risk

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

| | Nominal Amount | |
|----------------------------------|----------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Fixed-rate instruments | | |
| Financial assets | 83.47 | 81.81 |
| Financial liabilities | 515.50 | 515.50 |
| | 598.97 | 597.31 |
| Variable-rate instruments | | |
| Financial assets | - | - |
| Financial liabilities (WC & TL) | 1,128.21 | 1,161.37 |
| | 1,128.21 | 1,161.37 |

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 2022 | | | | |
| Variable-rate instruments | (5.64) | 5.64 | (4.22) | 4.22 |
| Cash flow sensitivity | (5.64) | 5.64 | (4.22) | 4.22 |
| 31 March 2021 | | | | |
| Variable-rate instruments | (5.81) | 5.81 | (4.35) | 4.35 |
| Cash flow sensitivity | (5.81) | 5.81 | (4.35) | 4.35 |

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.

AMORA CERAMICS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2022
(All amounts are in rupees lakhs, unless otherwise stated)

| | For the year ended March 31,2022 | For the year ended March 31,2021 |
|----------------------------------|--|--|
| 39 Payments to Auditors : | | |
| Statutory audit fee | 1.00 | 1.00 |
| Total | 1.00 | 1.00 |

40 Capital-Work-in Progress (CWIP) Ageing Scheule as on 31 March 2022

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| <u>Projects in progress:</u> | | | | | |
| Nil | - | - | - | - | - |
| <u>Projects temporarily suspended:-</u> | | | | | |
| Nil | - | - | - | - | - |
| Total | - | - | - | - | - |

Capital-Work-in Progress (CWIP) Ageing Scheule as on 31 March 2021

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| <u>Projects in progress:</u> | | | | | |
| Oxygen Plant | | - | - | - | - |
| <u>Projects temporarily suspended:-</u> | | | | | |
| Nil | - | - | - | - | - |
| Total | - | - | - | - | - |

41 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.

42 Trade Payables ageing schedule for the period ended 31 March 2022

| Particulars | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|----------------------------|---------------|------------------|-----------|-----------|-------------------|---------------|
| i) MSME* | - | - | - | - | - | - |
| ii) Others | 676.06 | 313.88 | | | - | 989.95 |
| iii) Disputed dues – MSME | - | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 676.06 | 313.88 | - | - | - | 989.95 |

Trade Payables ageing schedule for the period ended 31 March 2021

| Particulars | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|----------------------------|---------------|------------------|-----------|-----------|-------------------|---------------|
| i) MSME* | - | - | - | - | - | - |
| ii) Others | 293.33 | 47.33 | - | - | - | 340.66 |
| iii) Disputed dues – MSME | - | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 293.33 | 47.33 | - | - | - | 340.66 |

*Outstanding dues of Micro Enterprises & Small Enterprises only.

43 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 | 31.03.2022 | 31.03.2021 |
|--|-----------------|-----------------|
| Equity Share Capital (Note 14) | 900.00 | 900.00 |
| Other Equity (Note 15) | (390.98) | (251.01) |
| Total Equity | 509.02 | 648.99 |
| Non-Current Borrowings (Note 16) | 995.66 | 1,220.50 |
| Current maturities of Non-Current Borrowings (Note 22) | 222.00 | 216.00 |
| Current Borrowings (Note 20) | 648.05 | 456.37 |
| Total Debts | 1,865.71 | 1,892.87 |
| Debt to Equity Ratio | 3.67 | 2.92 |

AMORA CERAMICS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2022

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

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

| Particulars | 31.03.2022 | Cash Flow | Non- Cash Changes | | | 31.03.2021 |
|---|------------|-----------|--|---------------------------------|--------|------------|
| | | | Obtaining/ losing Control of Subsi./ other Business | Foreign Exchange Movement | Others | |
| Long-term borrowings | 1,217.66 | (218.84) | | | | 1,436.50 |
| Short-term borrowings | 648.05 | 185.68 | | | | 462.37 |
| Interest | - | | | | - | - |
| Share Capital / Share Application | 900.00 | - | | | | 900.00 |
| Total liabilities from financing activities | 2,765.71 | (33.16) | - | - | - | 2,798.87 |

45 The company has borrowings facility from banks on the basis of security of current assets. The company is also required to file quarterly returns or statements with respect to such borrowing facility however the amount shown in quarterly returns or statements were derived from the unaudited & provisional books of accounts. As regards the disclosure of discrepancies if any envisaged to be disclosed as part of additional information can not be made due to unfinished summary of reconciliation in this regards. However, the management of company do not foresee any reasons for material discrepancies nevertheless figures submitted in quarterly returns or statements were provisional and unaudited in nature and subject to reconciliation.

46 Ratios:

| Particulars | Numerator (A) | Denominator (B) | 31 March 2022 | 31 March 2021 | % of Variance | Reason for Variance |
|--------------------------------------|-------------------------------------|---------------------------|---------------|---------------|------------------|------------------------|
| (1) Current Ratio | Current Assets | Current Liabilities | 0.92 | 1.10 | -15.89% | - |
| (2) Debt-Equity Ratio | Total Debt | Net worth | 3.67 | 2.92 | 25.67% | **Reason |
| (3) Debt Service Coverage Ratio | Earnings available for debt service | Debt service | 0.49 | 0.90 | -45.60% | **Reason |
| (4) Return on Equity Ratio | Net Profits after taxes | Average Net worth | -32.58% | -15.25% | -17.33% | - |
| (5) Inventory turnover ratio | Sales | Closing Inventory | 5.32 | 6.49 | -18.09% | - |
| (6) Trade Receivables turnover ratio | Credit Sales | Closing Trade Receivables | 7.98 | 21.06 | -62.12% | **Reason |
| (7) Trade payables turnover ratio | Credit Purchases | Closing Trade Payable | 4.02 | 9.91 | -59.38% | **Reason |
| (8) Net capital turnover ratio | Sales | Working capital | 8.87 | 8.14 | 8.96% | - |
| (9) Net profit ratio | Net profit | Sales | -4.14% | -2.38% | -1.75% | - |
| (10) Return on capital employed | Earning before interest and taxes | Capital Employed | -2.21% | 3.67% | -5.88% | - |
| (11) Return on investment | Not Applicable | Not Applicable | - | - | - | - |

****Reasons for major variances:**

- (2) Debt-Equity Ratio : Due to increase in losses resulted into reduction in net worth higher than decrease in debt hence increase in ratio
(3) Debt Service Coverage Ratio : Current year there is increase in losses resulted into decrease earning available to serve the debt hence decrease in ratio
(6) Trade Receivables turnover ratio : Increase in sales during the last quarter resulting into increase in the receivable contributed to decrease in ratio
(7) Trade payables turnover ratio : Increase in purchase due to increase in sales in last quarter resulting into increase in payable resulted into lowering ratio

47 Lending or Receiving Funds Through Pass Through Entities Marked for Ultimate Beneficiary/ies :

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

AMORA CERAMICS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2022

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

48 COVID-19

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

The accompanying notes are an integral part of these financial statements

As per our report of even date
For, D. V. Bakrania & Associates
Chartered Accountants
Firm Reg.No:127116W

For and on behalf of Board of Directors
Amora Ceramics Private Limited

Dipak V. Bakrania
Proprietor
Membership No: 048331

Devendrakumar Serasia
DIN : 03608826

Nareshkumar Amrutiya
DIN : 06592954

Place: Morbi
Date: April 30, 2022