

Independent Auditor's Report

To the Members of Anjani Tiles Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Anjani Tiles Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than Financial Statements (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Financial Statements

The Company's management and 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



(g) 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.

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

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016, ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 0001255)

B. V. S. Kumar

B. V. Suresh Kumar
Partner
Membership No.212187



UDIN: 21212187AAAAEU495

Place: Hyderabad
Date: 27.05.2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company of even date)

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 **Anjani Tiles Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the 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 ('ICAI'). 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 0001255)


B. V. Suresh Kumar
Partner
Membership No.212187



UDIN: 21212187AAAAEU495

Place: Hyderabad
Date: 27.05.2021

Annexure "B" to the Independent Auditor's Report


With reference to Paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at the year-end by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not a) granted loans; b) made investments; c) given guarantees; and d) provided securities under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- (v) The company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and services tax cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us and records of the Company examined by us, there are no disputed statutory dues of income tax, goods and services tax, customs duty and any other statutory dues or cess as at 31st March, 2021.
- (viii) The Company has not defaulted in repayment of loans or borrowings to banks.
- (ix) In our opinion and accordingly to the information and explanation given by the management, the Company has utilized the monies raised by way of further public offer (Rights Issue) for the purposes for which they were raised. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.



- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)


B. V. Suresh Kumar
Partner
Membership No.212187



UDIN: 21212187AAAAEU495

Place: Hyderabad
Date: 27.05.2021

Anjani Tiles Limited

Balance Sheet as at 31st March 2021

Rs. In lakh

| Particulars | Note | As at 31st March 2021 | As at 31st March 2020 |
|---|------|--------------------------|--------------------------|
| I ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 3 | 7,024.33 | 7,363.62 |
| (b) Other Intangible Assets | 4 | 0.98 | 1.12 |
| (c) Financial Assets | | | |
| (i) Other Financial Assets | 5 | 196.42 | 195.34 |
| (e) Deferred Tax Assets (net) | 6 | 344.02 | 270.85 |
| (f) Other Non-current Assets | 7 | 0.90 | 0.90 |
| (2) Current assets | | | |
| (a) Inventories | 8 | 2,429.41 | 3,486.80 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 9 | 402.84 | 157.44 |
| (ii) Cash and Cash Equivalents | 10 | 31.21 | 33.78 |
| (iii) Bank Balances other than (ii) above | 11 | - | 4.79 |
| (iv) Other Financial Assets | 5 | 2,210.04 | 1,896.19 |
| (c) Other Current Assets | 12 | 151.53 | 138.41 |
| Total Assets | | 12,792.58 | 13,549.24 |
| II EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 13 | 2,000.00 | 1,000.00 |
| (b) Other Equity | 14 | (879.49) | (407.20) |
| LIABILITIES | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 5,983.77 | 5,941.46 |
| (b) Provisions | 16 | 7.92 | 20.38 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 2,952.45 | 2,559.19 |
| (ii) Trade Payables | | | |
| a) Total outstanding dues of micro enterprises and small enterprises | 18 | - | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,616.72 | 1,437.89 |
| (iii) Other Financial Liabilities | 19 | 960.49 | 570.19 |
| (b) Other Current Liabilities | 20 | 144.59 | 2,416.90 |
| (c) Provisions | 16 | 6.13 | 10.43 |
| (d) Current Tax Liabilities (net) | 21 | - | - |
| Total Equity and Liabilities | | 12,792.58 | 13,549.24 |
| Significant Accounting Policies | 2 | | |

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

As per our Report of even date

For M Anandam & Co,
Chartered Accountants
FRN:000125S

B.V.S. Kumar
B V Suresh Kumar
Partner
M.No: 212187



For and on behalf of the board

KVK Raju
CVK Raju
CEO & Director
DIN: 07337953

K Mohan Raju
K Mohan Raju
Director
DIN: 03537592



K Nagabhushana Rao
K Nagabhushana Rao
Chief Financial Officer
PAN: AWFPPK8691N

Place: Hyderabad

Date: 27/05/21

Anjani Tiles Limited

Statement of Profit and Loss for the year ended 31st March 2021

| | | Rs. in lakh | |
|--|------|--------------------------------|--------------------------------|
| Particulars | Note | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| I Revenue from Operations | 22 | 7,032.06 | 7,315.28 |
| II Other Income | 23 | 237.78 | 258.38 |
| III Total Income (I+II) | | 7,269.84 | 7,573.66 |
| IV EXPENSES | | | |
| Cost of Materials Consumed | 24 | 2,021.02 | 2,501.74 |
| Changes in Inventories of Finished Goods and Work-in-Progress | 25 | 1,218.92 | (119.58) |
| Employee Benefits Expense | 26 | 316.10 | 314.31 |
| Finance Costs | 27 | 417.94 | 443.80 |
| Depreciation and Amortization Expense | 3&4 | 473.14 | 497.18 |
| Other Expenses | 28 | 3,369.95 | 4,623.82 |
| Total Expenses (IV) | | 7,817.07 | 8,261.27 |
| V Profit(Loss) Before Tax (III-IV) | | (547.23) | (687.61) |
| VI Tax Expense: | | | |
| 1) Current Tax | 29 | - | - |
| 2) Deferred Tax | 30 | (74.29) | (58.31) |
| VII Profit / (Loss) for the Year (V-VI) | | (472.94) | (629.30) |
| VIII Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans(net of tax) | 31 | 0.65 | (0.67) |
| XI Total Comprehensive Income for the year (VII + VIII) | | (472.29) | (629.97) |
| Earning per equity share (Face Value of Rs.10/- each) Basic & Diluted | 32 | (4.88) | (6.74) |
| Significant Accounting Policies | 2 | | |

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

As per our Report of even date

For M Anandam & Co.
Chartered Accountants
FRN:000125S

B.V.S. Kumar
B V Suresh Kumar
Partner
M.No: 212187



Place: Hyderabad

Date: 27/05/21

For and on behalf of the board

CVK Raju
CVK Raju
CEO & Director
DIN: 07337953

K Mohan Raju
K Mohan Raju
Director
DIN: 03537592



K Nagabhushana Rao
K Nagabhushana Rao
Chief Financial Officer
PAN: AWFPK8691N

Anjani Tiles Limited**Statement of Changes in Equity for the year ended 31st March 2021****A Equity Share Capital**

| Particulars | Rs. In Lakh | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Balance at the beginning of the year | 1,000.00 | 1,000.00 |
| Changes in equity share capital during the year | 1,000.00 | - |
| Balance at the end of the year | 2,000.00 | 1,000.00 |

B Other Equity

| Particulars | Rs. In Lakhs |
|---|--------------|
| Retained Earnings | |
| Balance as at 1st April 2019 | 222.77 |
| Profit / (Loss) for the Year | (629.30) |
| Other Comprehensive Income - Remeasurement of defined benefit plans(net of tax) | (0.67) |
| Balance as at 31st March 2020 | (407.20) |
| Profit / (Loss) for the Year | (472.94) |
| Other Comprehensive Income - Remeasurement of defined benefit plans(net of tax) | 0.65 |
| Balance as at 31st March 2021 | (879.49) |

As per our Report of even date

For M Anandam & Co,
Chartered Accountants
FRN:000125S

B.V.S. Kumar

B V Suresh Kumar
Partner
M.No: 212187



Place: Hyderabad

Date: 27/05/21

For and on behalf of the board

Krishna Raju

CVK Raju
CEO & Director
DIN: 07337953

K Mohan Raju

K Mohan Raju
Director
DIN: 03537592



K Nagabhushana Rao
K Nagabhushana Rao
Chief Financial Officer
PAN: AWFPK8691N

Anjani Tiles Limited

Cash Flow Statement for the year ended 31st March, 2021

Rs. in Lakh

| Particulars | Year ended | | Year ended | |
|--|------------------|------------|------------------|------------|
| | 31st March, 2021 | | 31st March, 2020 | |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit / (Loss) before tax | | (547.23) | | (587.61) |
| Adjustments for: | | | | |
| Depreciation and Amortization Expense | 473.14 | | 497.18 | |
| Loss on sale of Property, Plant and Equipment | 0.07 | | 0.01 | |
| Other Comprehensive Income (OCI) on employee benefits | 0.87 | | (0.91) | |
| Liabilities no longer required | (1.33) | | - | |
| Finance Costs | 417.94 | 890.69 | 443.80 | 940.08 |
| Operating Profit before Working Capital Changes | | 343.48 | | 252.47 |
| Adjustments for: | | | | |
| (increase) / Decrease in Trade Receivables | (244.07) | | 16.38 | |
| (increase) / Decrease in Inventories | 1,057.38 | | 79.82 | |
| (increase) / Decrease in Other Assets | (323.27) | | 270.48 | |
| Increase / (Decrease) in Trade Payable & Other Liabilities | (2,093.25) | | 564.30 | |
| Increase / (Decrease) in Provisions | (16.75) | (1,619.85) | 6.71 | 937.69 |
| Cash Generated from Operations | | (1,276.49) | | 1,190.16 |
| Direct Taxes Paid | | - | | (12.30) |
| Net Cash generated from/(used in) Operating Activities | | (1,276.49) | | 1,177.86 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Property, Plant & Equipment | (133.95) | | (137.47) | |
| Proceeds from Sale of Property, Plant & Equipment | 0.18 | | - | |
| Net Cash used in Investing Activities | | (133.77) | | (137.47) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds/ (Repayment) of Long Term Borrowings | 447.72 | | (450.31) | |
| Proceeds / (Repayment) of Short Term Borrowings | 412.52 | | (110.08) | |
| Proceeds from issue of equity share capital | 1,000.00 | | - | |
| Payment of Preference Dividend and Dividend Distribution Tax | | | (54.25) | |
| Interest and Other borrowing charges Paid | (452.55) | | (409.19) | |
| Net Cash generated from Financing Activities | | 1,407.69 | | (1,023.83) |
| Net Increase in Cash and Cash Equivalents | | (2.57) | | 16.58 |
| Cash and Cash Equivalents at the beginning of the year | | 33.78 | | 17.22 |
| Cash and Cash Equivalents at the end of the year | | 31.21 | | 33.78 |

Notes to cash flow statement

1 Components of cash and cash equivalents

| | | |
|---|-------|-------|
| Balances with banks | 26.77 | 31.00 |
| Cash on hand | 4.44 | 2.78 |
| Cash and cash equivalents considered in the cash flow statement | 31.21 | 33.78 |

2 The above cash flow statement has been prepared under with the 'indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.

3 Reconciliation of liabilities arising from financing activities

| Particulars | Outstanding as at 1st April, 2020 | Cash flows | Non-cash Changes | Outstanding as at 31st March, 2021 |
|---|-----------------------------------|------------|------------------|------------------------------------|
| Long-term borrowings | | | | |
| a Bank | 1,981.46 | 447.72 | - | 2,429.18 |
| b Preference Shares | 4,500.00 | - | - | 4,500.00 |
| c Un-secured Loans | - | - | - | - |
| Short-term borrowings | 2,559.19 | 412.52 | (19.27) | 2,952.44 |
| Total liabilities from financing activities | 9,040.65 | 860.24 | (19.27) | 9,881.62 |

Significant Accounting Policies

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

Note 3

As per our Report of even date

For M Anandam & Co,
Chartered Accountants
FRN:5001255

B. V. S. Kumar
B V Suresh Kumar
Partner
M.No: 212187

Place: Hyderabad
Date:

27/05/21



For and on behalf of the board

K. Nagabhusham Rao

CVK Raju
CEO & Director
DIN: 07337953

K. Mohan Raju
Director
DIN: 03537592

K. Nagabhusham Rao
Chief Financial Officer
PAN: AWFPK6691N



Anjani Tiles Limited

Notes to the Financial Statements for the year ended 31st March, 2021

1. Corporate Information

Anjani Tiles Limited (the "Company") is a public limited company domiciled in India having its registered office situated at Eguvarajupalem, Chillakur Mandal, Gudur, SPSR Nellore District – 524410, Andhra Pradesh, India. The Company was incorporated on 7th April, 2015, under the provisions of the Companies Act applicable in India. The Company is engaged in the business of manufacturing and selling of Vitrified Tiles. The Company is a subsidiary of CERA Sanitaryware Limited.

The financial statements are approved for issue by the Company's Board of Directors on 27th May, 2021.

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS and Basis of Preparation

The Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments rules issued thereafter notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

2.2 Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (Rs.), which is also functional currency. All the values have been rounded off to the nearest rupee in lakhs, unless otherwise indicated.

2.3 Basis of Measurement

The Financial Statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value as under:-

| Items | Measurement Basis |
|--|---|
| Employee Defined Benefit Plans | Plan Assets measured at fair value less present value of defined benefit obligation |
| Certain Financial Assets and Liabilities | Fair Value |

2.4 Property, Plant and Equipment

[a] Tangible Assets

[i] Recognition and Measurement

Anjani Tiles Limited

Notes to the Financial Statements for the year ended 31st March, 2021

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

[ii] Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

[iii] Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

[iv] Depreciation/ Amortization

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of plant and machinery and electric plant and installation and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss. Amortization on leasehold land is provided over the period of lease.

Anjani Tiles Limited

Notes to the Financial Statements for the year ended 31st March, 2021

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Depreciation on additions / disposal is provided on a pro rata basis that is from / up to the date on which asset is ready for use / disposed of.

[b] Capital work-in-progress

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress to Tangible Fixed Assets.

[c] Intangible Assets

[i] Initial Recognition and Classification

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

[ii] Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in statement of profit and loss as incurred.

[iii] Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives and is included in depreciation and amortisation in Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding three years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

[iv] Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

[d] Impairment of Non-Financial Assets.

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.5 Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs.

2.6 Current versus Non Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset/ liability is treated as current when it is :-

- *Expected to be realised or intended to be sold or consumed or settled 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 or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- * There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

Anjani Tiles Limited

Notes to the Financial Statements for the year ended 31st March, 2021

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The company has identified 12 months as its operating cycle.

2.7 Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

2.8 Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.9 Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of :

- * a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- * a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed in the Financial Statements.

2.11 Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

2.12 Foreign Currency Transactions and Translations

Initial Recognition

The Company's financial statements are presented in Rupees (Rs.), which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the Balance Sheet Date

Foreign Currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange differences

Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are recognised as income or expense in the period in which they arise.

2.13 Revenue from contracts with customers

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods and/or services has transferred from the Company to the customer. Revenue is measured based on consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties.

- a) Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.
- b) Interest, Dividends and Other Income: Interest and dividend income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

2.14 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

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 transaction. 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.

Transition

The Company have not any leased assets hence there is no impact of transition provisions

2.15 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined Contribution Plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined Benefit Plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

2.16 \ Taxes on Income

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to business combination or to an item recognised directly in equity or in other comprehensive income.

[i] Current Tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

[ii] Deferred Tax

Deferred tax liabilities are provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognised directly in equity/ other comprehensive income is recognised in respective head and not in the Statement of Profit and Loss.

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

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.17 Equity, Reserves and Dividend Payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

2.18 Significant Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

c) Impairment of Non-financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

d) Estimation of Defined Benefit Obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual

developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f) Estimation of Current Tax and Deferred Tax

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

g) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates (ECL). The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.19 Fair Value Measurement

The Company measures financial instruments such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- * Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- * Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.20 Financial Instruments

I. **Financial Assets**

(a) **Initial Recognition and Measurement**

All financial assets are recognised initially at fair value plus, in 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

(b) **Subsequent Measurement**

(i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through Other Comprehensive Income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at fair value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

(c) Impairment of Financial Assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(d) Derecognition of Financial Assets

A financial asset is derecognised when:

*The Company has transferred the right to receive cash flows from the financial assets or

*Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognise the financial asset.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial Liabilities

Initial Recognition and Subsequent Measurement: All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

III. Fair Value of Financial Instruments

Anjani Tiles Limited

Notes to the Financial Statements for the year ended 31st March, 2021

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may vary from actual realization on future date.

IV. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.21 Standards issued but not yet effective:

There is no such notification which would have been applicable from April 1, 2021.

3. Property, Plant and Equipment

Changes in the carrying value property, plant and equipment for the year ended 31st March, 2021

| Sr. No | Particulars | Land | Buildings | Roads | Plant and Equipment | Furniture & Fixtures | Vehicles | Electrical Equipment | Office Equipment | Computers | Lab Equipment | Total |
|--------|--|--------|-----------|-------|---------------------|----------------------|----------|----------------------|------------------|-----------|---------------|----------|
| 1 | Gross Carrying Amount As at 1st April, 2020 | 550.41 | 1,897.58 | 87.19 | 5,432.61 | 263.29 | 1.19 | 664.46 | 242.88 | 6.96 | 67.18 | 9,213.79 |
| | Additions | - | - | - | 130.64 | - | - | - | 2.31 | 1.00 | - | 133.95 |
| | Disposal / Adjustments | - | - | - | - | - | - | - | 0.60 | - | - | 0.60 |
| | As at 31st March, 2021 | 550.41 | 1,897.58 | 87.19 | 5,563.25 | 263.29 | 1.19 | 664.46 | 244.59 | 7.96 | 67.18 | 9,347.10 |
| 2 | Depreciation As at 1st April, 2020 | - | 545.16 | 85.59 | 772.05 | 101.79 | 0.92 | 241.33 | 107.92 | 4.82 | 20.74 | 1,690.11 |
| | Charge for the year | - | 128.48 | 8.19 | 207.41 | 41.83 | 0.08 | 63.13 | 16.86 | 0.84 | 6.38 | 473.00 |
| | Disposal / Adjustments | - | - | - | - | - | - | - | 0.34 | - | - | 0.34 |
| | As at 31st March, 2021 | - | 673.64 | 93.77 | 979.46 | 143.62 | 1.00 | 304.46 | 134.44 | 5.28 | 27.12 | 2,322.77 |
| 3 | Net Carrying Amount As at 31st March, 2021 | 550.41 | 1,223.94 | 23.42 | 4,583.79 | 119.67 | 0.19 | 360.00 | 120.15 | 2.70 | 40.06 | 7,024.33 |

Changes in the carrying value property, plant and equipment for the year ended 31st March, 2020

| Sr. No | Particulars | Land | Buildings | Roads | Plant and Equipment | Furniture & Fixtures | Vehicles | Electrical Equipment | Office Equipment | Computers | Lab Equipment | Total |
|--------|--|--------|-----------|-------|---------------------|----------------------|----------|----------------------|------------------|-----------|---------------|----------|
| 1 | Gross Carrying Amount As at 1st April, 2019 | 540.18 | 1,871.20 | 87.19 | 5,381.61 | 221.13 | 1.19 | 651.39 | 238.50 | 6.60 | 67.18 | 9,076.27 |
| | Additions | 10.23 | 26.36 | - | 40.99 | 42.16 | - | 13.06 | 4.73 | 0.37 | - | 137.92 |
| | Disposal / Adjustments | - | - | - | - | - | - | - | 0.45 | - | - | 0.45 |
| | As at 31st March, 2020 | 550.41 | 1,897.56 | 87.19 | 5,422.60 | 263.29 | 1.19 | 664.45 | 242.86 | 6.97 | 67.18 | 9,213.74 |
| 2 | Depreciation As at 1st April, 2019 | - | 403.62 | 44.54 | 506.37 | 53.99 | 0.80 | 176.92 | 86.93 | 3.85 | 14.36 | 1,353.37 |
| | Charge for the year | - | 141.55 | 11.05 | 205.66 | 47.81 | 0.12 | 62.51 | 21.30 | 0.67 | 6.37 | 497.04 |
| | Disposal / Adjustments | - | - | - | - | - | - | - | 0.29 | - | - | 0.29 |
| | As at 31st March, 2020 | - | 545.15 | 55.59 | 772.05 | 101.79 | 0.92 | 241.33 | 107.94 | 4.62 | 20.73 | 1,650.12 |
| 3 | Net Carrying Amount As at 31st March, 2020 | 550.41 | 1,352.43 | 31.60 | 4,650.55 | 161.50 | 0.27 | 423.12 | 134.94 | 2.35 | 46.45 | 7,363.62 |

4 Other Intangible Assets - Computer Software
 Changes in the carrying value other intangible assets for the year ended 31st March, 2021

| Sr. No | Particulars | Rs. in Lakh |
|--------|--|-------------|
| 1 | Gross Carrying Amount As at 1st April, 2020 | 2.21 |
| | Additions As at 31st March, 2021 | 2.21 |
| 2 | Amortisation As at 1st April, 2020 | 1.09 |
| | Charge for the year As at 31st March, 2021 | 0.14 |
| 3 | Net Carrying Amount As at 31st March, 2021 | 1.23 |
| | | 0.98 |

Changes in the carrying value other intangible assets for the year ended 31st March, 2020

| Sr. No | Particulars | Rs. in Lakh |
|--------|--|-------------|
| 1 | Gross Carrying Amount As at 1st April, 2019 | 2.21 |
| | Additions As at 31st March, 2020 | - |
| 2 | Amortisation As at 1st April, 2019 | 2.21 |
| | Charge for the year As at 31st March, 2020 | 0.96 |
| 3 | Net Carrying Amount As at 31st March, 2020 | 0.14 |
| | | 1.89 |
| | | 1.12 |

| 5 Financial Assets | | Rs. in Lakh | |
|-------------------------------|--|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| A Non-Current | | | |
| Other Financial Assets | | | |
| | Security Deposits with Government Companies | 177.52 | 177.52 |
| | Margin money deposits with the Bank | 18.90 | 17.82 |
| | Total | 196.42 | 195.34 |
| B Current | | | |
| | Unsecured, Considered Good | | |
| 1 | Advances to Employees | 0.95 | 10.93 |
| 2 | Incentives Receivable from Government (Power & VAT/CST/SGST) | 2,200.09 | 1,885.26 |
| | Total | 2,210.04 | 1,896.19 |

| 6 Deferred Tax Assets (net) | | Rs. in Lakh | |
|--|---|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| 1 Deferred Tax Assets (Arising on account of timing difference) | | | |
| | (a) Depreciation Loss / Investment Allowance | 970.82 | 896.73 |
| | (b) Leave Encashments/Gratuity | 3.65 | 8.65 |
| | (c) Unused Tax Credits | 41.14 | 41.14 |
| | Total Deferred Tax Assets (A) | 1,015.61 | 946.52 |
| 2 Deferred Tax Liabilities (Arising on account of timing difference) | | | |
| | Assets: Impact of difference between Tax Depreciation and Depreciation / amortization charged for financial reporting | 670.69 | 635.67 |
| | Total Deferred Tax Liabilities (B) | 670.69 | 635.67 |
| | Deferred Tax Asset / (Liabilities) (A-B) | 344.92 | 270.85 |

| Reconciliation of Deferred Tax Assets (Net): | | Rs. in Lakh | |
|---|------------------------|------------------------|--|
| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | |
| Opening Balance - Deferred Tax Liability | 270.88 | 212.54 | |
| Tax Income/(Expense) recognised in Profit or Loss | 74.29 | 58.07 | |
| Tax Income/(Expense) recognised in Other Comprehensive Income | (0.23) | 0.24 | |
| Deferred Tax Assets / (Liabilities) (net) | 344.92 | 270.85 | |

| Movements in Deferred Tax Assets: | | Rs. in Lakh | | |
|-----------------------------------|---|-----------------------------|-----------------|--|
| Particulars | On account of Depreciation Loss/Employee Benefits | Others - Unused Tax Credits | Total | |
| At 1st April, 2019 | 726.33 | 41.14 | 767.47 | |
| (Charged)/Credited: | | | | |
| to Profit or Loss | 138.81 | - | 138.81 | |
| to Other Comprehensive Income | 0.24 | - | 0.24 | |
| At 1st April, 2020 | 865.38 | 41.14 | 906.52 | |
| (Charged)/Credited: | | | | |
| to Profit or Loss | 109.32 | - | 109.32 | |
| to Other Comprehensive Income | (0.23) | - | (0.23) | |
| At 31st March, 2021 | 974.47 | 41.14 | 1,015.61 | |

| Movements in Deferred Tax Liabilities: | | Rs. in Lakh | | |
|--|--|-------------|---------------|--|
| Particulars | Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting | Others | Total | |
| At 1st April, 2019 | 554.95 | - | 554.95 | |
| (Charged)/Credited: | | | | |
| to Profit or Loss | 80.72 | - | 80.72 | |
| to Other Comprehensive Income | - | - | - | |
| directly to Equity | - | - | - | |
| At 1st April, 2020 | 635.67 | - | 635.67 | |
| (Charged)/Credited: | | | | |
| to Profit or Loss | 35.02 | - | 35.02 | |
| to Other Comprehensive Income | - | - | - | |
| directly to Equity | - | - | - | |
| At 31st March, 2021 | 670.69 | - | 670.69 | |

| 7 Other Non-current Assets | | Rs. in Lakh | |
|----------------------------|---------------------------|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| | Unsecured considered good | | |
| 1 | Deposit with others | 0.90 | 0.90 |
| | Total | 0.90 | 0.90 |

Anjani Tiles Limited

Notes to the financial statements for the year ended 31st March, 2021

8 Inventories (Valued at lower of cost or net realisable value)

Rs. In Lakhs

| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------|-------------------|---------------------------|---------------------------|
| 1 | Raw Materials | 406.30 | 332.76 |
| 2 | Work-in-Progress | 25.10 | 35.37 |
| 3 | Stores and Spares | 624.78 | 680.15 |
| 4 | Packing Materials | 113.33 | 43.23 |
| 5 | Finished Goods | 1,076.15 | 2,284.81 |
| 6 | Coal | 183.75 | 110.48 |
| Total | | 2,429.41 | 3,486.80 |

8.1 Inventories are hypothecated to secure working capital facility availed from The Federal Bank Ltd.

9 Trade Receivables

Rs. In Lakhs

| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------|---|---------------------------|---------------------------|
| | a) Trade Receivables considered good - Secured | - | - |
| | b) Trade Receivables considered good - Unsecured | 245.72 | 157.44 |
| | c) Trade Receivables which have significant increase in Credit Risk | - | - |
| | d) Trade Receivables - credit impaired | - | - |
| | e) Trade Receivables from Related Parties | 157.12 | - |
| | Less: Allowance for expected credit losses | - | - |
| Total | | 402.84 | 157.44 |

9.1 Receivables are hypothecated to working capital facility availed from The Federal Bank Ltd.

9.2 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

10 Cash and Cash Equivalents

Rs. In Lakhs

| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------|---------------------|---------------------------|---------------------------|
| 1 | Balances with Banks | 26.77 | 31.00 |
| 2 | Cash on Hand | 4.44 | 2.78 |
| Total | | 31.21 | 33.78 |

10.1 Balance with Banks includes Margin Money Deposits of Rs.23.39 lakhs (P.Y Rs.19.36 lakhs)

11 Bank Balances other than (ii) above

Rs. In Lakhs

| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------|-------------------------|---------------------------|---------------------------|
| | Earmarked balances | | |
| | - Margin Money Deposits | - | 4.79 |
| Total | | - | 4.79 |

12 Other Current Assets

Rs. In Lakhs

| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------------------------|---------------------------|---------------------------|
| Advances other than Capital Advances | | | |
| Other Advances | | | |
| | (a) Advances to Suppliers | 117.37 | 104.69 |
| | (b) Prepaid Expenses | 24.15 | 22.06 |
| | (c) Input Taxes Receivable | 9.72 | 11.37 |
| | (d) Rent Advance | 0.29 | 0.29 |
| Total | | 151.53 | 138.41 |

Anjani Tiles Limited
Notes to the financial statements for the year ended 31st March, 2021

| 13 Equity Share Capital | | Rs. in Lakhs | |
|---|------------------------|------------------------|--|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 | |
| 1 Authorised Share Capital | | | |
| 2,00,00,000 Equity Shares of Rs.10/- each | 2,000.00 | 1,000.00 | |
| (31st March, 2020, 1,00,00,000 Equity Shares of Rs.10/- each) | | | |
| 2 Issued and Subscribed | | | |
| 2,00,00,000 Equity Shares of Rs.10/- each fully paid up | 2,000.00 | 1,000.00 | |
| (31st March, 2020, 1,00,00,000 Equity Shares of Rs.10/- each fully paid up) | | | |
| Total | 2,000.00 | 1,000.00 | |

13.1 The reconciliation of the number of Equity Shares outstanding and amount of share capital as at 31st March, 2021:

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-------------|------------------------|-------------|
| | Number of Shares | Rs. in Lakh | Number of Shares | Rs. in Lakh |
| Shares outstanding at the beginning of the year | 1,00,00,000 | 1,000.00 | 1,00,00,000 | 1,000.00 |
| Add: Shares issued during the year | 1,00,00,000 | 1,000.00 | - | - |
| Shares outstanding at the end of the year | 2,00,00,000 | 2,000.00 | 1,00,00,000 | 1,000.00 |

13.2 Rights, preferences and restrictions attached to Equity Shares :

The Company has only one class of Issued, subscribed and paid up equity shares having a par value of Rs.10/- each per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

13.3 Details of the shareholders holding more than 5% shares are set out below :

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|--------------|------------------------|--------------|
| | Number of Shares | % of holding | Number of Shares | % of holding |
| a) CERA Sanitaryware Limited, Holding Company | 1,02,00,000 | 51.00 | 51,00,000 | 51.00 |
| b) Anjani Vishnu Holdings Limited | 97,99,994 | 49.00 | 48,99,994 | 49.00 |

Anjani Tiles Limited
Notes to the financial statements for the year ended 31st March, 2021

| 14 Other Equity | | Rs. in Lakhs | |
|--------------------------|---|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| Retained earnings | | | |
| | Balance as at the beginning of the year | (407.20) | 222.77 |
| | Add: Profit / (Loss) for the year | (472.94) | (829.30) |
| | Add/(Less): Other Comprehensive Income - Remeasurement of defined benefit plans(net of tax) | 0.65 | (0.67) |
| | Closing balance | (879.49) | (407.20) |

14.1 This reserve represent the cumulative profits of the Company and effects of remeasurement of defined benefit obligations and can be utilized in accordance with the provisions of the Companies Act, 2013

| 15 Borrowings | | Rs. in Lakhs | |
|---------------|--|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| 1 | Term Loans (Secured) From Banks | 1,483.77 | 1,441.46 |
| 2 | Preference Share Capital 4,50,00,000 1% Cumulative Redeemable Preference Shares of Rs.10/- each (31st March, 2020, 4,50,00,000 1% Cumulative Redeemable Preference Shares of Rs.10/- each) | 4,500.00 | 4,500.00 |
| | Total | 5,983.77 | 5,941.46 |

| Particulars | Amount outstanding | | Effective rate of interest |
|-------------|---|------------------------|----------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 | |
| | Term Loans (including current maturities) | 2,429.19 | |

a) Term loans from banks represent loans taken from The Federal Bank Ltd which are secured by industrial Land admeasuring of 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal, Gudur, SPSR Nellore dist, Andhra Pradesh and Factory Buildings and other fixed assets purchased out of the term loan proceeds.

| Name of the Bank | Rs. in Lakh | | | |
|----------------------|-------------|------------|------------|------------|
| | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
| The Federal Bank Ltd | 945.42 | 896.25 | 306.58 | 280.94 |

c) As on the date of balance sheet, there are no defaults in payment of interest and instalments. The Company has availed moratorium benefit extended by RBI for the period from March, 2020 to August 2020.

d) During the year, the company has availed Working Capital Term Loan (WCTL) from the Federal Bank Ltd which is secured by moveable/immovable assets created out of WCTL.

15.2.a The reconciliation of the number of Preference Shares outstanding and amount of preference share capital as at 31st March, 2021, and 31st March, 2020

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|---------------------|------------------------|---------------------|
| | Number of Shares | Amount Rs. in Lakhs | Number of Shares | Amount Rs. in Lakhs |
| Shares outstanding at the beginning of the year | 4,50,00,000 | 4,500.00 | 4,50,00,000 | 4,500.00 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 4,50,00,000 | 4,500.00 | 4,50,00,000 | 4,500.00 |

15.2.b Details of the shareholders holding more than 5% shares are set out below :

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|--------------|------------------------|--------------|
| | Number of Shares | % of holding | Number of Shares | % of holding |
| a) CERA Sanitaryware Limited, Holding Company | 2,42,30,000 | 53.84% | 2,42,30,000 | 53.84% |
| b) Anjani Vishnu Holdings Limited | 2,07,70,000 | 46.16% | 2,07,70,000 | 46.16% |

15.2.c Conditions of Redemption:

a) The preference shares shall be redeemed on completion of 7 years from the date of allotment. The Board of Directors of the Company are authorized to redeem the said preference shares before due date by giving one month prior notice to the shareholders of the Company

b) Repayment Schedule

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 | Total |
|-------------------------|-------------|-------------|------------|-------------|
| a) No. of shares | 2,60,00,000 | 1,40,00,000 | 50,00,000 | 4,50,00,000 |
| b) Amount (Rs. in Lakh) | 2,600.00 | 1,400.00 | 500.00 | 4,500.00 |

15.2.d. The Company has not created redemption reserve due to inadequate profits.

| 16 Provisions | | Rs. in Lakhs | |
|---------------|---------------------------------|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| 1 | Non-Current | | |
| | Provision for Employee Benefits | | |
| | Provision for Gratuity | - | 11.53 |
| | Provision for Leave Encashment | 7.92 | 8.85 |
| | Total | 7.92 | 20.38 |
| 2 | Current | | |
| | Provision for Employee Benefits | | |
| | Provision for Gratuity | - | 4.10 |
| | Provision for Leave Encashment | 6.13 | 6.33 |
| | Total | 6.13 | 10.43 |

Refer Note 31 on Employee Benefits

Anjani Tiles Limited
Notes to the financial statements for the year ended 31st March, 2021

| | | Rs. in Lakhs | |
|---------------|---------------------------|------------------|------------------|
| 17 Borrowings | | As at | As at |
| Sr. No | Particulars | 31st March, 2021 | 31st March, 2020 |
| 1 | Loans Repayable On Demand | | |
| | Secured | | |
| | Working Capital Loans | | |
| | From Banks | 1,782.45 | 2,559.19 |
| | Un-secured | | |
| | From Holding Company | 1,170.00 | - |
| | Total | 2,952.45 | 2,559.19 |

17.1 Working Capital facilities availed from The Federal Bank Ltd are secured by hypothecation of entire inventories and book debts and collateral security of land admeasuring 42.88 acres situated at Eguvarajupalem Village, Chilukur Mandal, SPSR Nellore, Andhra Pradesh.

17.2 As on the date of balance sheet, there are no defaults in interest. The Company has availed moratorium benefit extended by RBI for the period from March, 2020 to August 2020.

17.3 Unsecured loans from holding company is interest free and repayable on demand.

| | | Rs. in Lakhs | |
|-------------------|-------------------------------------|------------------|------------------|
| 18 Trade Payables | | As at | As at |
| Sr. No | Particulars | 31st March, 2021 | 31st March, 2020 |
| 1 | Dues to Micro and Small Enterprises | - | - |
| 2 | Others | 1,616.72 | 1,437.89 |
| | Total | 1,616.72 | 1,437.89 |

18.1 To the extent of information available with the company there are no dues to Micro and Small Enterprises. The disclosures are required under Micro, Small and Medium Enterprises Development Act, 2006 are given in Note No.38.

| | | Rs. in Lakhs | |
|--------------------------------|--------------------------------------|------------------|------------------|
| 19 Other Financial Liabilities | | As at | As at |
| Sr. No | Particulars | 31st March, 2021 | 31st March, 2020 |
| 1 | Current maturities of Long Term Debt | 945.42 | 540.00 |
| 2 | Interest Payable on Term Loans | - | 15.34 |
| 3 | Expenses Payable | 15.07 | 14.85 |
| | Total | 960.49 | 570.19 |

| | | Rs. in Lakhs | |
|------------------------------|------------------------|------------------|------------------|
| 20 Other Current Liabilities | | As at | As at |
| Sr. No | Particulars | 31st March, 2021 | 31st March, 2020 |
| 1 | Advance from Customers | 32.32 | 2,394.21 |
| 2 | Statutory Dues Payable | 112.27 | 22.69 |
| | Total | 144.59 | 2,416.90 |

| | | Rs. in Lakhs | |
|----------------------------------|---|------------------|------------------|
| 21 Current Tax Liabilities (net) | | As at | As at |
| Sr. No | Particulars | 31st March, 2021 | 31st March, 2020 |
| | Provision for Income Tax (Net of Advance Tax) | - | - |
| | Total | - | - |

Anjani Tiles Limited
Notes to the financial statements for the year ended 31st March, 2021

| 22 Revenue from Operations | | Rs. In Lakhs | |
|----------------------------|-------------------------|--------------------------------|--------------------------------|
| Sr. No | Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 1 | Revenue from Operations | | |
| | Sale of Products | | |
| | Domestic Sales | 6,652.61 | 6,631.23 |
| | Export Sales | - | 7.39 |
| 2 | Other Operating Revenue | | |
| | Scrap Sales | 379.45 | 676.66 |
| | Total | 7,032.06 | 7,315.28 |

22.1 Disaggregated Revenue Disclosures are not applicable since the Company deals in one product i.e., manufacturing and selling of Vitrified Tiles.

22.2 Trade Receivables and Contract Balances

a) The Company classifies the right to consideration in exchange for deliverables as receivable.

b) A receivable is a right to consideration that is unconditional upon passage of time. Trade receivables are presented net of impairment in the Balance Sheet.

22.3 Disclosures relating to pending performance obligations are not given since there are no pending obligations.

| 23 Other Income | | Rs. In Lakhs | |
|-----------------|--|--------------------------------|--------------------------------|
| Sr. No | Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 1 | Interest Income from Financial Assets* | 11.39 | 13.78 |
| 2 | Sales Tax Incentive | 222.39 | 233.31 |
| 3 | Liabilities no longer required | 1.33 | 10.46 |
| 4 | Insurance claim received | 2.67 | - |
| 5 | Foreign Exchange Gain (net) | - | 0.83 |
| | Total | 237.78 | 258.38 |

* Includes interest on Margin Money Deposits and Additional Consumption Deposits.

| 24 Cost of Materials Consumed | | Rs. In Lakhs | |
|-------------------------------|---------------|--------------------------------|--------------------------------|
| Sr. No | Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| | Opening Stock | 375.99 | 454.89 |
| Add: | Purchases | 2,164.66 | 2,412.84 |
| | Sub-total | 2,540.65 | 2,877.73 |
| Less: | Closing Stock | 519.63 | 375.99 |
| | Total | 2,021.02 | 2,501.74 |

| 25 Changes in inventories of Finished Goods and Work-in-Progress | | Rs. In Lakhs | |
|--|---|--------------------------------|--------------------------------|
| Sr. No | Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 1 | Closing Inventories | | |
| | Finished Goods | 1,076.16 | 2,284.81 |
| | Work-in-Progress | 25.10 | 35.37 |
| | | 1,101.26 | 2,320.18 |
| 2 | Opening Inventories | | |
| | Finished Goods | 2,284.81 | 2,169.11 |
| | Work-in-Progress | 35.37 | 31.49 |
| | | 2,320.18 | 2,200.60 |
| 3 | (Increase) / decrease | | |
| | Finished Goods | 1,208.65 | (115.70) |
| | Work-in-Progress | 10.27 | 3.88 |
| | Net (Increase)/decrease in Inventories | 1,218.92 | (119.58) |

| 26 Employee Benefits Expense | | Rs. In Lakhs | |
|------------------------------|--|------------------|------------------|
| Sr. No | Particulars | Year ended | |
| | | 31st March, 2021 | 31st March, 2020 |
| 1 | Salaries, Wages and Other Employee Benefits | 269.84 | 265.85 |
| 2 | Contribution to Provident Fund and Other Funds | 21.95 | 22.52 |
| 3 | Gratuity Expenses | 5.46 | 6.16 |
| 4 | Staff Welfare Expenses | 18.85 | 19.78 |
| Total | | 316.10 | 314.31 |

| 27 Finance Costs | | Rs. In Lakhs | |
|--|-----------------------|------------------|------------------|
| Sr. No | Particulars | Year ended | |
| | | 31st March, 2021 | 31st March, 2020 |
| Interest and Finance charges on Financial Liabilities not at fair value through Profit or Loss | | | |
| i) | Term Loans | 200.89 | 205.50 |
| ii) | Working Capital Loans | 208.49 | 231.17 |
| iii) | Other Borrowing Costs | 8.56 | 7.13 |
| Total | | 417.94 | 443.80 |

| 28 Other Expenses | | Rs. In Lakhs | |
|-------------------|---|------------------|------------------|
| Sr. No | Particulars | Year ended | |
| | | 31st March, 2021 | 31st March, 2020 |
| 1 | Consumption of Stores | 692.04 | 874.12 |
| 2 | Power and fuel | 1,989.25 | 2,910.66 |
| 3 | Wages - Contract Labour | 390.68 | 514.33 |
| 4 | Repairs and maintenance | | |
| | - Building | 0.47 | 0.90 |
| | - Plant & Equipment | 28.12 | 18.78 |
| | - Other Assets | 4.40 | 3.04 |
| 5 | Travelling & Conveyance Expenses | 8.79 | 17.02 |
| 6 | Advertisement Expenses | - | 2.69 |
| 7 | Insurance | 14.82 | 11.73 |
| 8 | Rent, Rates and taxes | 22.53 | 19.44 |
| 9 | Payment to Auditors: | | |
| | As Auditor | | |
| | Statutory Audit | 1.25 | 1.25 |
| | Tax Audit | 0.35 | 0.35 |
| | GST Audit | 0.25 | 0.25 |
| | Other Matters including Limited Review | 0.58 | 0.56 |
| 10 | Legal and professional charges | 59.79 | 50.93 |
| 11 | Printing and Stationary | 11.24 | 8.00 |
| 12 | Office Maintenance | 7.44 | 9.12 |
| 13 | Loss on sale of Property, Plant and Equipment | 0.07 | 0.01 |
| 14 | Vehicle Running Expenses | 136.67 | 163.84 |
| 15 | Bank Charges | 5.46 | 3.53 |
| 16 | Miscellaneous Expenses | 15.66 | 13.27 |
| Total | | 3,389.95 | 4,623.82 |

Anjani Tiles Limited
Notes to the financial statements for the year ended 31st March, 2021

29 Current Tax (including earlier tax)

| Sr. No | Particulars | Rs. in Lakhs | |
|--------|--------------|-----------------------------|-----------------------------|
| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 1 | Current Tax | - | - |
| | Total | - | - |

Reconciliation of the Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax rate of the Company as follows.

| Particulars | Rs. in Lakhs | |
|--|-----------------------------|-----------------------------|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Accounting Profit/(Loss) before Income Tax | (547.23) | (687.61) |

30 Deferred Tax

| Sr. No | Particulars | Rs. in Lakhs | |
|--------|--|-----------------------------|-----------------------------|
| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 1 | Deferred Tax Liability on account of difference in WDV | 35.02 | 89.73 |
| 2 | Deferred Tax Asset on account of Unabsorbed depreciation | (114.10) | (136.64) |
| 3 | Deferred Tax Asset on account of employee benefits | 4.79 | (2.40) |
| | Total | (74.29) | (58.31) |

21 Notes to Employee Benefits

Defined Contribution Plans

Provident Fund: During the year, the Company has recognised Rs.18.95 lakh (2019-20: Rs.18.95 lakh) as contribution to Employee Provident Fund in the Statement of Profit and Loss (Refer Note No.20).

Defined Benefit Plans

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of Rs.20 Lakhs at the time of separation from the company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the fund status and amounts recognised in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation are as follows:

| Particulars | Rs. in Lakh | |
|---|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Defined benefit obligation at the beginning | 15.63 | 9.47 |
| Current service cost | 4.45 | 4.52 |
| Interest expense | 1.00 | 0.72 |
| Benefits paid | (1.40) | - |
| Actuarial gain/loss on obligations - OCI | (0.87) | 0.91 |
| Defined benefit obligation at the end | 18.81 | 15.62 |

Reconciliation of fair value of plan assets and defined benefit obligation:

| Particulars | Rs. in Lakh | |
|---|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Fair value of plan assets at the beginning | - | - |
| Defined benefit obligation at the beginning | 15.63 | 9.47 |
| Amount recognised in the Balance Sheet at the beginning | 15.63 | 9.47 |
| Fair value of plan assets at the end | (24.78) | - |
| Defined benefit obligation at the end | 18.81 | 15.62 |
| Amount recognised in the Balance Sheet at the end | (5.97) | 15.62 |

The principal assumptions used in determining gratuity are shown below:

| Particulars | 31st March 2021 | 31st March 2020 |
|-----------------------|-----------------|-----------------|
| Discount rate | 7.01% | 6.71% |
| Salary escalator rate | 4% | 4% |

Economic and Demographic Assumptions

Economic Assumptions

Estimates of future compensation increases considered take into account the inflation, seniority, promotion and other relevant factors. Discount rate is based on the prevailing market yields of Indian Government securities as at 31 March 2021 for the estimated term of the obligations.

Demographic Assumptions

| Particulars | 31st March 2021 | 31st March 2020 |
|-----------------|-----------------|-----------------|
| Retirement Age | 58 | 58 |
| Mortality table | IALM (2012-14) | IALM (2012-14) |
| Attrition rate | 5% | 5% |

Amount recognised in Statement of Profit and Loss:

| Particulars | Rs. in Lakh | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Current service cost | | |
| Net interest expense | 4.45 | 4.52 |
| Return on plan assets (excluding amounts included in net interest expense) | 1.90 | 0.72 |
| Remeasurement of Net Benefit (Liability) Asset | (0.87) | 0.91 |
| Amount recognised in Statement of Profit and Loss for year ended | 4.58 | 6.15 |

Amount recognised in Other Comprehensive Income:

| Particulars | Rs. in Lakh | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Actuarial (gain)/ loss on obligations | | |
| Return on plan assets (excluding amounts included in net interest expense) | (0.87) | 0.91 |
| Amount recognised in Other Comprehensive Income for year ended | (0.87) | 0.91 |

The principal assumptions used in determining gratuity obligations for the Company's plan

| Particulars | Rs. in Lakh | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Discount rate (in %) | 7.01 | 6.71 |
| Salary Escalation (in %) | 4.50 | 4.00 |
| Rate of return on plan assets (in %) | 0.50 | 0.00 |
| Expected average remaining working lives of employees (in years) | 18.75 | 19.00 |

A quantitative sensitivity analysis for significant assumption as at 31st March 2021 is as shown below:

| Particulars | Rs. in Lakh | | | | | |
|--------------------------------------|-----------------|-------------|-------------------|-------------|------------------------|-------------|
| | 31st March 2021 | | 31st March 2021 | | 31st March 2021 | |
| | Discount rate | | Salary escalation | | Assumed Attrition Rate | |
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (4.00) | 4.50 | 5.10 | (4.70) | 0.50 | (0.50) |

A quantitative sensitivity analysis for significant assumption as at 31st March, 2020 is as shown below:

| Particulars | Rs. in Lakh | | | | | |
|--------------------------------------|-----------------|-------------|-------------------|-------------|------------------------|-------------|
| | 31st March 2020 | | 31st March 2020 | | 31st March 2020 | |
| | Discount rate | | Salary escalation | | Assumed Attrition Rate | |
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (4.70) | 5.30 | 5.90 | (5.30) | (0.20) | (0.30) |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Anjani Tiles Limited
Notes to the financial statements for the year ended 31st March, 2021

32 Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Sr. No | Particulars | Rs. In Lakh | |
|--------|--|--------------------------------|--------------------------------|
| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| 1 | Net Profit / (Loss) | | |
| | Less: Cumulative Preference Dividend | (472.94) | (629.30) |
| | Net Profit / (Loss) attributable to the equity Shareholders (A) | 45.00 | 45.00 |
| 2 | Weighted average number of Equity Shares outstanding during the period (B) | (517.94) | (674.30) |
| 3 | Nominal value of Equity Shares (Rs.) | 1,06,15,280 | 1,00,00,000 |
| 4 | Basic/Diluted Earnings per Share (Rs.) (A/B) | 10.00 | 10.00 |
| | | (4.88) | (6.74) |

* Since there are no dilutive potential equity shares, the diluted profit / (loss) per equity share is the same as the basic profit / (loss) per equity share.

Anjani Tiles Limited

Notes to the financial statements for the year ended 31st March, 2021

33 Related party disclosures

a) Names of related parties and description of relationship

| Name of the related party | Relationship |
|--|--|
| CERA Sanitaryware Limited | Holding Company |
| Anjani Vishnu Holdings Limited | Investor Company |
| Hitech Print Systems Limited | Subsidiary of Investor Company |
| Vennar Ceramics Limited | Associate of Investor Company |
| Key Management Personnel | |
| Mr. Venkata Krishnam Raju Chintalapati | Chief Executive Officer & Non-Executive Director |
| Mr. K Nagabhushana Rao | Chief Financial Officer |
| Ms. Richa Bhamotra | Company Secretary (up to 31.08.2020) |
| Mr Mohammad Hafiz Mansoor | Company Secretary (From 01.09.2020) |
| Mr. Abul Sanghvi | Non-Executive Director |
| Mr. R B Shah | Non-Executive Director |
| Mr. Abbey Vincent Rodrigues | Non-Executive Director |
| Mr. Jugal Kishore Taparia | Independent Director (upto 06.02.2021) |
| Mr. Surendra Singh Baid | Additional Director (w.e.f 06.02.2021) |
| Mr. Parankusam Srinivas Ranganath | Independent Director |
| Mr. Kalkindi Mohan Raju | Non-Executive Director |

b) Transactions during the year with Related Parties:

| Particulars | Transactions during the year: | |
|--|-------------------------------|------------------|
| | 31st March, 2021 | 31st March, 2020 |
| Rs. In Lakhs | | |
| A) CERA Sanitaryware Limited, Holding Company | | |
| Sale of Goods (Net) | 4,916.88 | 5,898.91 |
| Advance Received | - | 1,062.21 |
| Advance Paid | (1,062.00) | (200.00) |
| Issue of Share capital (Equity) | 510.00 | - |
| Balance Outstanding (Advance Received) | (1,170.00) | (2,232.00) |
| Balance Outstanding (Receivables) | 157.12 | (162.21) |
| B) Anjani Vishnu Holdings Limited, Investor Company | | |
| Issue of Share capital (Equity) | 400.00 | - |
| Other Services | 4.50 | 6.01 |
| Balance Outstanding | (0.49) | (2.73) |
| C) Hitech Print Systems Limited, Subsidiary of Investor Company | | |
| Sale of Goods (net) | - | 1.16 |
| Other Services | 0.10 | - |
| Balance Outstanding | (0.10) | 0.41 |
| D) Vennar Ceramics Limited, Associate of Investor Company | | |
| Sale of Goods (net) | 0.24 | 3.01 |
| Purchases | 0.22 | 16.44 |
| Balance Outstanding | - | - |
| E) Key Management Personnel | | |
| Remuneration paid | | |
| Mr. Venkata Krishnam Raju Chintalapati | 45.51 | 49.20 |
| Mr. K Nagabhushana Rao | 7.18 | 7.58 |
| Ms. Richa Bhamotra | 0.88 | 2.10 |
| Mr Mohammad Hafiz Mansoor | 1.23 | - |
| Consultancy Charges | | |
| Mr. Kalkindi Mohan Raju | 12.21 | 13.20 |

c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Anjani Tiles Limited**Notes to the financial statements for the year ended 31st March, 2021****34 Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rs. In Lakh

| Particulars | Carrying value | | Fair value | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Financial Assets | | | | |
| Other financial assets | 2,406.46 | 2,091.53 | 2,406.46 | 2,091.53 |
| Trade receivables | 402.84 | 157.44 | 402.84 | 157.44 |
| Cash and cash equivalents | 31.21 | 33.78 | 31.21 | 33.78 |
| Other Bank Balances | - | 4.79 | - | 4.79 |
| Total | 2,840.51 | 2,287.54 | 2,840.51 | 2,287.54 |
| Financial Liabilities | | | | |
| Long term borrowings | 5,983.77 | 5,941.46 | 5,983.77 | 5,941.46 |
| Short term borrowings | 2,952.45 | 2,559.19 | 2,952.45 | 2,559.19 |
| Trade Payables | 1,616.72 | 1,437.89 | 1,616.72 | 1,437.89 |
| Current Maturities of long term borrowings | 945.42 | 540.00 | 945.42 | 540.00 |
| Other Financial liabilities | 15.07 | 30.19 | 15.07 | 30.19 |
| Total | 11,513.43 | 10,508.73 | 11,513.43 | 10,508.73 |

35 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2021: Rs. In Lakhs

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|---|-------------------|----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at amortised cost: | | | | | |
| Other financial assets | 31st March, 2021 | 2,406.46 | - | - | - |
| Trade receivables | 31st March, 2021 | 402.84 | - | - | 2,406.46 |
| Cash and cash equivalents | 31st March, 2021 | 31.21 | - | - | 402.84 |
| Other Bank Balances | 31st March, 2021 | - | - | - | 31.21 |

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2020: Rs. In Lakh

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|---|-------------------|----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at amortised cost: | | | | | |
| Other financial assets | 31st March, 2020 | 2,091.53 | - | - | - |
| Trade receivables | 31st March, 2020 | 157.44 | - | - | 2,091.53 |
| Cash and cash equivalents | 31st March, 2020 | 33.78 | - | - | 157.44 |
| Other Bank Balances | 31st March, 2020 | 4.79 | - | - | 33.78 |

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2021: Rs. In Lakh

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|--|-------------------|----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at amortised cost: | | | | | |
| Long term borrowings | 31st March, 2021 | 5,983.77 | - | - | - |
| Short term borrowings | 31st March, 2021 | 2,952.45 | - | - | 5,983.77 |
| Trade Payables | 31st March, 2021 | 1,616.72 | - | - | 2,952.45 |
| Current Maturities of long term borrowings | 31st March, 2021 | 945.42 | - | - | 1,616.72 |
| Other Financial liabilities | 31st March, 2021 | 15.07 | - | - | 945.42 |

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2020: Rs. In Lakh

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|--|-------------------|----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Liabilities measured at amortised cost: | | | | | |
| Long term borrowings | 31st March, 2020 | 5,941.46 | - | - | - |
| Short term borrowings | 31st March, 2020 | 2,559.19 | - | - | 5,941.46 |
| Trade Payables | 31st March, 2020 | 1,437.89 | - | - | 2,559.19 |
| Current Maturities of long term borrowings | 31st March, 2020 | 540.00 | - | - | 1,437.89 |
| Other Financial liabilities | 31st March, 2020 | 30.19 | - | - | 540.00 |

The management assessed that fair value of financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurements of all assets and liabilities is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate fair values:-

- The fair value of the Company's interest bearings borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.

For other non-current financial assets and liabilities the fair value is the same as the amortized cost, measured using the discount rate at the time of initial recognition of financial assets and liabilities.

A one percent change in the unobserved inputs used in fair valuation of level 3 Assets and liabilities does not have a significant impact in its value.

Fair value of financial assets and financial liabilities

The carrying value of the current financial assets and current financial liabilities are considered to be same as their values, due to their short-term nature. The non-current borrowings and securities deposits are carried at amortized cost which is considered as their fair value.

36 Financial risk management objectives and policies

Financial Risk Management Framework

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to Credit risk, Liquidity risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as follows:

| Particulars | Rs. In Lakhs | |
|---------------------------|----------------------|----------------------|
| | As at 31 March, 2021 | As at 31 March, 2020 |
| Other financial assets | 2,406.48 | 2,091.83 |
| Trade receivables | 402.84 | 157.44 |
| Cash and cash equivalents | 31.21 | 33.78 |
| Other bank balances | - | 4.78 |

Trade receivables:

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The company is not expecting any credit loss allowance which is calculated on life time expected credit losses for trade receivables. Credit loss provision on security deposits is taken as 12 months expected credit loss and no loss is expected as at 31st March, 2021 and 31st March, 2020.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

| Particulars | Rs. In Lakhs | | | | | Total |
|------------------------------------|--------------|--------------------|----------------|--------------|----------|----------|
| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | >5 years | |
| Year ended 31st March, 2021 | | | | | | |
| Borrowings | 2,952.45 | - | - | 5,483.77 | 500.00 | 8,936.22 |
| Trade and other payables | - | 1,516.72 | - | - | - | 1,516.72 |
| Other financial liabilities | - | 259.01 | 751.48 | - | - | 960.49 |
| Year ended 31st March, 2020 | | | | | | |
| Borrowings | 2,859.19 | - | - | 5,441.40 | 500.00 | 8,500.59 |
| Trade and other payables | - | 1,437.89 | - | - | - | 1,437.89 |
| Other financial liabilities | - | 150.00 | 420.19 | - | - | 570.19 |

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

Collateral : Nil

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits etc.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowings. The impact on the entity due to any interest rate fluctuation is given below:

| | Rs. in Lakh | |
|------------------|-----------------------------------|-----------------------------|
| | Increase/Decrease in basis points | Effect on profit before tax |
| 31st March, 2021 | | |
| INR | +50 | (24.20) |
| INR | -50 | 24.20 |
| 31st March, 2020 | | |
| INR | +50 | (23.96) |
| INR | -50 | 23.96 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency.

Anjani Tiles Limited

Notes to the financial statements for the year ended 31st March, 2021

37 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

Capital includes equity attributable to the equity holders of the Company. The primary objective of the Companies capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

| Particulars | At 31st March 2021 | At 31st March 2020 |
|--|--------------------|--------------------|
| Non-current Borrowings | 1,453.77 | 1,441.48 |
| Current Borrowings | 2,952.45 | 2,569.19 |
| Current Maturities of Long-term borrowings | 945.42 | 540.00 |
| Interest on Long-term borrowings | - | 15.34 |
| Preference Capital | 4,500.00 | 4,500.00 |
| Less: Cash & cash equivalents | (31.21) | (33.78) |
| Net Debt | 9,850.43 | 9,022.21 |
| Equity | 2,000.00 | 1,000.00 |
| Other Equity | (879.48) | (407.20) |
| Total Capital | 1,120.52 | 592.81 |
| Debt / Equity Gearing ratio (%) | 8.79 | 15.22 |
| | 879.10% | 1521.95% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2021 and 31st March, 2020.

38 Dues to Micro and Small Enterprises

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the 'Suppliers' regarding their status under the Act.

Rs. in Lakh

| Particulars | At 31st March 2021 | At 31st March 2020 |
|---|--------------------|--------------------|
| i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year | - | - |
| Principal amount due to micro and small enterprises | - | - |
| Interest due on above | - | - |
| ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period. | - | - |
| iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

39 (a) Segment Reporting - Ind AS 108

The business activity of the company falls within one broad business segment viz. "Tiles and Ceramics" and sale of the product is within the country.

Information about major customers:

Customer 1 - Rs. 4916.88 lakhs

Customer 2 - Rs. 728.64 lakhs

39 (b) Impact - COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

39 (c) Note on "Code on Security, 2020"

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Anjani Tiles Limited

Notes to the financial statements for the year ended 31st March, 2021

40 Commitments and Contingencies

| A. Contingent Liabilities | Rs. In Lakh | |
|---|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Dividend on 1% Cumulative Preference Shares | 90.00 | 45.00 |

Note: Relates to Financial year 2019-20 and 2020-21

| B. Commitments | Rs. In Lakh | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | Nil | Nil |

41 Previous Year figures have been regrouped wherever necessary.

As per our Report of even date

For M Anandam & Co,
Chartered Accountants
FRN:000125S

B.V. Suresh Kumar
B V Suresh Kumar

Partner

M.No: 212187



Place: Hyderabad

Date: 27/05/21

For and on behalf of the board

KVK Raju
CVK Raju
CEO & Director
DIN: 07337953

K Mohan Raju
K Mohan Raju
Director
DIN: 03537592



K Nagabhushana Rao
K Nagabhushana Rao
Chief Financial Officer
PAN: AWFPK8691N