INDEPENDENT AUDITORS' REPORT

To
The Members of Anjani Tiles Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Anjani Tiles Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements")

Management's Responsibility for the Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and effectively design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

M. ANANDAM & CO., SECUNDERABAD CHARTERED ACCOUNTANTS internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as director in terms of section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

M. ANANDAM & CO., SECUNDERABAD, CHARTERED ACCOUNTANTS

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

i) The Company does not have any pending litigations which would impact its financial position;

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

B.V.S.Kumar

B.V.Suresh Kumar
Partner
Membership No.212187

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 18.04.2018

Annexure - A to the Auditors' Report

The Annexure referred to in our report to the members of the Company for the year ended on 31st March, 2018. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, 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. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, 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) As explained to us 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) 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, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, value added 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, sales tax, valued added tax, wealth tax, service tax, customs duty, excise duty or cess as at 31st March, 2018.

(viii) The Company has not defaulted in repayment of loans or borrowings to banks.

(ix) The Company did not raise any money by way of initial public offer or further public offer during the year. 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.

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

(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 Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has made preferential allotment of preference shares during the year under review and the requirements of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds are raised.

(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)

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

B.V.S.Kumar

B.V.Suresh Kumar
Partner
Membership No.212187

Place: Hyderabad
Date: 18.04.2018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Anjani Tiles Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

Auditors' 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 Ind AS financial statements, whether due to fraud or error.

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

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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. 000125S)

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

B.V.S.Kumar

B.V.Suresh Kumar
Partner
Membership No.212187

Place: Hyderabad
Date: 18.04.2018

Anjani Tiles Limited

Balance Sheet as at 31st March, 2018

Amount in Rs.

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	78,44,61,647	76,67,87,970	3,98,04,720
(b) Capital Work-in-Progress		-	-	60,87,37,322
(c) Other Intangible Assets	4	1,40,151	1,53,880	26,024
(d) **Financial Assets**				
- Loans	5	1,77,51,600	45,00,000	37,50,000
(e) Deferred Tax Assets (net)	6	2,06,52,540	-	-
(2) Current assets				
(a) Inventories	7	31,38,03,007	19,29,82,200	3,53,68,852
(b) **Financial Assets**				
(i) Trade Receivables	8	16,77,165	5,65,72,706	-
(ii) Cash and Cash Equivalents	9	33,19,632	65,59,770	66,06,363
(iii) Other Financial Assets	5	10,89,13,042	5,25,15,769	-
(c) Other Current Assets	10	3,02,96,560	5,65,99,119	7,23,45,371
Total Assets		**1,28,10,15,344**	**1,13,66,71,414**	**76,66,38,652**
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	11	10,00,00,000	10,00,00,000	10,00,00,000
(b) Other Equity	12	2,19,92,722	(3,50,70,432)	-
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
- Borrowings	13	69,31,77,065	68,31,77,063	57,57,78,176
(b) Provisions	14	20,93,736	9,83,017	3,14,786
(c) Deferred Tax Liabilities (net)	6	-	3,64,64,559	-
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	21,56,58,010	16,82,96,399	-
(ii) Trade Payables	16	16,64,16,792	13,02,61,983	8,66,43,284
(iii) Other Financial Liabilities	17	5,19,44,595	3,36,14,286	10,81,885
(b) Other Current Liabilities	18	2,77,80,196	1,86,09,687	28,20,521
(c) Provisions	14	65,892	20,684	-
(d) Current Tax Liabilities (net)	19	18,86,336	3,14,168	-
Total Equity and Liabilities		**1,28,10,15,344**	**1,13,66,71,414**	**76,66,38,652**
Significant Accounting Policies	1 & 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

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

For and on behalf of the board

CVK Raju
Director
DIN: 07337953

RB Shah
Director
DIN: 00607602

Richa

Richa Bhamotra
Company Secretary
M.No: 30493

K Nagabhushana Rao
Chief Financial Officer

Place: Hyderabad
Date: 18.04.2018

Place: Hyderabad
Date: 18.04.2018

ANJANI TILES LIMITED HYDERABAD

Anjani Tiles Limited

Statement of Profit and Loss for the year ended 31st March, 2018

Amount in Rs.

	Particulars	Note	Year ended 31st March, 2018	Year ended 31st March, 2017
I	Revenue from Operations	20	82,00,07,716	63,18,60,812
II	Other Income	21	4,40,22,765	3,81,18,954
III	**Total Income (I+II)**		**86,40,30,481**	**66,99,79,766**
IV	**EXPENSES**			
	Cost of Materials Consumed	22	27,89,38,696	22,29,17,140
	Changes in Inventories of Finished Goods and Work-in-Progress	23	(4,89,56,496)	(8,92,63,118)
	Excise Duty		1,62,82,126	6,61,18,363
	Employee Benefits Expense	24	3,43,26,101	2,36,95,477
	Finance Costs	25	5,80,39,634	4,62,90,908
	Depreciation and Amortization Expense	3&4	4,63,29,876	3,94,30,449
	Other Expenses	26	47,61,41,504	35,87,88,829
	Total Expenses (IV)		**86,11,01,442**	**66,79,78,048**
V	**Profit Before Tax (III-IV)**		**29,29,039**	**20,01,718**
VI	Tax Expense:			
	1) Current Tax	27	25,03,790	3,14,168
	2) Deferred Tax	28	(5,69,85,081)	3,65,45,397
VII	**Profit / (Loss) for the Year (V-VI)**		**5,74,10,331**	**(3,48,57,847)**
VIII	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	Actuarial gain / (loss) on employee benefits (net of tax)	29	(3,47,176)	(2,12,585)
XI	**Total Comprehensive Income for the year (VII + VIII)**		**5,70,63,154**	**(3,50,70,432)**
	Earning per equity share (Face Value of Rs.10/- each)			
	Basic & Diluted	30	5.74	(3.49)
	Significant Accounting Policies	1 & 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

M. ANANDAM & CO. ★ SECUNDERABAD ★ CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 18.04.2018

For and on behalf of the board

CVK Raju
Director
DIN: 07337953

RB Shah
Director
DIN: 00607602

Richa

Richa Bhamotra
Company Secretary
M.No: 30493

K Nagabhushana Rao
Chief Financial Officer

Place: Hyderabad
Date: 18.04.2018

ANJANI TILES LIMITED ★ HYDERABAD ★

Anjani Tiles Limited

Statement of Changes in Equity for the year ended 31st March, 2018

A Equity Share Capital

Particulars	Amount in Rs.
Balance as at 1st April, 2016	10,00,00,000
Changes during the year	-
Balance as at 31st March, 2017	10,00,00,000
Changes during the year	-
Balance as at 31st March, 2018	**10,00,00,000**

B Other Equity

Particulars	Amount in Rs.
Retained Earnings	
Balance as at 1st April 2016	-
Profit / (Loss) for the Year	(3,48,57,847)
Actuarial gain / (loss) on employee benefits	(2,12,585)
Balance as at 31st March 2017	**(3,50,70,432)**
Balance as at 1st April 2017	**(3,50,70,432)**
Profit / (Loss) for the Year	5,74,10,331
Actuarial gain / (loss) on employee benefits	(3,47,176)
Balance as at 31st March 2018	**2,19,92,722**

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

M. ANANDAM & CO., SECUNDERABAD, CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 18.04.2018

For and on behalf of the board

CVK Raju
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DIN: 07337953

RB Shah
Director
DIN: 00607602

Richa

Richa Bhamotra
Company Secretary
M.No: 30493

K Nagabhushana Rao
Chief Financial Officer

Place: Hyderabad
Date: 18.04.2018

ANJANI TILES LIMITED, HYDERABAD

Anjani Tiles Limited

Cash Flow Statement for the year ended 31st March, 2018

Amount in Rs.

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		**29,29,039**		20,01,718
Adjustments for :				
Depreciation and Amortization Expense	**4,63,29,876**		3,94,30,449	
Finance Costs	**5,80,39,634**	**10,43,69,510**	4,62,90,908	8,57,21,357
Operating Profit before Working Capital Changes		**10,72,98,550**		8,77,23,075
Adjustments for:				
(Increase) / Decrease in Trade & Other Assets	**2,48,00,827**		(9,36,56,391)	
Decrease in Inventories	**(12,08,20,808)**		(15,76,13,346)	
Increase in Trade Payable & Other Liabilities	**4,36,33,300**		9,22,75,116	
Increase in Provisions	**5,20,551**		3,74,808	
Increase in Loans	**(1,32,51,600)**	**(6,51,17,730)**	(7,50,000)	(15,93,69,813)
Cash Generated from Operations		**4,21,80,820**		(7,16,46,738)
Direct Taxes Paid		(7,75,438)		-
Net Cash generated from/(used in) Operating Activities		**4,14,05,382**		(7,16,46,738)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	**(6,39,89,824)**		(15,78,04,233)	
Net Cash used in Investing Activities		**(6,39,89,824)**		(15,78,04,233)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Preference Share Capital	**5,00,00,000**			
Proceeds/ (Repayment) of Long Term Borrowings (Net)	**(3,00,00,000)**		10,73,98,887	
Proceeds / (Repayment) of Short Term Borrowings (Net)	**4,73,61,611**		16,82,96,399	
Interest Paid	**(3,79,94,980)**		(4,62,90,908)	
Net Cash generated from Financing Activities		**2,93,66,631**		22,94,04,378
Net decrease in Cash and Cash Equivalents		**67,82,189**		(46,593)
Cash and Cash Equivalents at the beginning of the year		**65,59,770**		66,06,363
Cash and Cash Equivalents at the end of the year		**1,33,41,959**		65,59,770

Notes to cash flow statement

1 Components of cash and cash equivalents

	31st March, 2018	31st March, 2017
Balances with banks		
- Current accounts	2,91,210	4,28,124
- Deposit accounts	30,03,055	60,26,960
(demand deposits and deposits having original maturity of 3 months or less)		
Cash on hand	25,167	1,04,686
Coins & Stamps	200	-
Cash and cash equivalents considered in the cash flow statement	**33,19,632**	65,59,770

2 The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in Indian Accounting Standard - 7 specified under Section 133 of the Companies Act, 2013.

3 Amendment to Ind AS 7 (Statement of Cash Flows) w.e.f. 1st April, 2017

Particulars	**Outstanding as at 1st April, 2017**	**Cash flows**	**Non-cash Changes**	**Outstanding as at 31st March, 2018**
Long-term borrowings				
a Bank	31,31,77,063	(3,00,00,000)	-	28,31,77,063
b Preference Shares	40,00,00,000	5,00,00,000	-	45,00,00,000
Short-term borrowings - Banks	16,82,96,399	4,73,61,611	-	21,56,58,010
Total liabilities from financing activities	88,14,73,462	6,73,61,611	-	94,88,35,073

Significant Accounting Policies **Note 1 & 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: 18.04.2018

M. ANANDAM & CO. SECUNDERABAD CHARTERED ACCOUNTANTS

For and on behalf of the board

CVK Raju
Director
DIN: 07337953

RB Shah
Director
DIN: 00607602

Richa

Richa Bhamotra
Company Secretary
M.No: 30493

K Nagabhushana Rao
Chief Financial Officer

Place: Hyderabad
Date: 18.04.2018

ANJANI TILES LIMITED HYDERABAD

Anjani Tiles Limited

Significant Accounting Policies and other Explanatory Information to the Financial Statements for the Financial Year ended 31st March, 2018

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, 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.

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 the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

The Company has adopted all the relevant Ind AS and the adoption was carried out in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards". Accordingly, Financial Statements for the year ended 31st March, 2018 are the Company's First Ind AS Financial Statements.

For all periods upto and including the year ended 31st March, 2017, the Company prepared its Financial Statements in accordance with Indian Accounting Principles generally accepted in India including Accounting Standards notified under Section 133 of the Act read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Reconciliation and description of the effect of the transition have been summarised in Note No.38.

The transition to Ind AS has resulted in changes in the presentation of the Financial Statements, disclosures in the notes thereto and accounting policies and principles.

These Financial Statements of the Company as at and for the year ended 31st March,2018 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 18th April, 2018.

[ii] **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

[iii] **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.

[iv] **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.

[v] **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.

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 (disposals) is provided on a pro rata basis that is from (upto) 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 Group to Tangible Fixed Assets Group.

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.

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.

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 Recognition

Revenue is measured at the fair value of the consideration received or receivable (excluding taxes), net of returns and reduced by any rebates and trade discount allowed.

a) Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

* the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
* the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
* the amount of revenue can be measured reliably.
* it is probable that the economic benefits associated with the transaction will flow to the entity, and

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.

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.

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

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

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.

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

3 Property, Plant and Equipment

Amount in Rs.

Sr. No	Particulars	Land	Buildings	Roads	Plant and Equipment	Furniture & Fixtures	Vehicles	Electrical Equipment	Office Equipment	Computers	Lab Equipment	Total
1	**Deemed Cost**											
	As at 1st April, 2016	3,76,43,700	-	-	-	8,93,279	1,18,718	-	9,69,413	1,79,610	-	**3,98,04,720**
	Additions	36,64,935	14,82,02,107	82,14,249	51,11,50,973	25,80,049	-	6,49,94,090	2,22,33,207	3,88,136	49,18,493	**76,63,46,239**
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-		-
	As at 31st March, 2017	4,13,08,635	14,82,02,107	82,14,249	51,11,50,973	34,73,328	1,18,718	6,49,94,090	2,32,02,620	5,67,746	49,18,493	**80,61,50,959**
	Additions	**87,14,800**	**2,90,84,517**	-	**1,26,36,328**	**1,27,84,244**	-	**1,45,125**	**5,32,760**	**92,050**	-	**6,39,89,824**
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-	-
	As at 31st March, 2018	**5,00,23,435**	**17,72,86,624**	**82,14,249**	**52,37,87,301**	1,62,57,572	**1,18,718**	**6,51,39,215**	**2,37,35,380**	**6,59,796**	**49,18,493**	**87,01,40,783**
2	**Depreciation**											
	As at 1st April, 2016	-	-	-	-			-			-	-
	Charge for the year	-	1,20,11,414	12,66,238	1,67,96,764	7,24,430	37,099	55,18,969	24,42,610	1,21,488	4,43,977	**3,93,62,989**
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-		-
	As at 31st March, 2017	-	1,20,11,414	12,66,238	1,67,96,764	7,24,430	37,099	55,18,969	24,42,610	1,21,488	4,43,977	**3,93,62,989**
	Charge for the year	-	**1,37,89,249**	**17,99,535**	**1,96,59,493**	**7,29,820**	**25,506**	**60,13,344**	**36,85,265**	**1,46,679**	**4,67,257**	**4,63,16,147**
	Disposal / Adjustments	-	-	-	-	-	-	-	-	-		-
	As at 31st March, 2018	-	**2,58,00,663**	**30,65,773**	**3,64,56,257**	**14,54,250**	**62,605**	**1,15,32,313**	**61,27,875**	**2,68,167**	**9,11,234**	**8,56,79,136**
3	**Net Block**											
	As at 1st April, 2016	3,76,43,700	-	-	-	8,93,279	1,18,718	-	9,69,413	1,79,610	-	**3,98,04,720**
	As at 31st March, 2017	4,13,08,635	13,61,90,693	69,48,011	49,43,54,209	27,48,898	81,619	5,94,75,121	2,07,60,010	4,46,258	44,74,516	**76,67,87,970**
	As at 31st March, 2018	**5,00,23,435**	**15,14,85,962**	**51,48,476**	**48,73,31,044**	**1,48,03,322**	**56,113**	**5,36,06,902**	**1,76,07,505**	**3,91,629**	**40,07,259**	**78,44,61,647**

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

4 Other Intangible assets

- Computer Software

Sr. No	Particulars	Amount in Rs
1	**Deemed Cost**	
	As at 1st April, 2016	26,024
	Additions	1,95,316
	Disposal / Adjustments	-
	As at 31st March, 2017	2,21,340
	Additions	-
	Disposal / Adjustments	-
	As at 31st March, 2018	2,21,340
2	**Amortisation**	
	As at 1st April, 2016	-
	Additions	67,460
	Disposal / Adjustments	-
	As at 31st March, 2017	67,460
	Additions	13,729
	Disposal / Adjustments	-
	As at 31st March, 2018	81,189
3	**Net Block**	
	As at 1st April, 2016	26,024
	As at 31st March, 2017	1,53,880
	As at 31st March, 2018	1,40,151

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

5 Financial Assets - Loans — **Amount in Rs.**

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Non-Current Financial Assets			
	Unsecured, Considered Good			
	Security Deposit with Government Authorities	1,77,51,600	45,00,000	37,50,000
	Total	**1,77,51,600**	**45,00,000**	**37,50,000**
	Current Financial Assets			
	Unsecured, Considered Good			
1	Advances to Employees	2,36,082	-	-
2	Incentives Receivable from Government (Power & VAT/CST/SGST)	10,86,76,960	5,25,15,769	-
	Total	**10,89,13,042**	**5,25,15,769**	-

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

6 Deferred Tax Assets (net) Amount in Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	**Deferred Tax Assets**			
	(Arising on account of timing difference)			
	(a) Depreciation Loss / Investment Allowance	7,14,43,430	1,07,67,101	-
	(b) Leave Encashment/Gratuity	5,95,032	2,12,875	-
	(c) Unused Tax Credits	28,56,688	3,14,168	-
	Total Deferred Tax Assets (A)	**7,48,95,150**	**1,12,94,144**	-
2	**Deferred Tax Liabilities**			
	(Arising on account of timing difference)			
	Assets: Impact of difference between Tax Depreciation and Depreciation / amortization charged for financial reporting	5,42,42,610	4,77,58,703	-
	Total Deferred Tax Liabilities (B)	**5,42,42,610**	**4,77,58,703**	-
	Deferred Tax Asset / (Liabilities) (A-B)	**2,06,52,540**	**(3,64,64,559)**	-

Reconciliation of Deferred Tax Assets (Net): Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Opening Balance - Deferred Tax Liability	(3,64,64,559)	-	-
Tax Income/(Expense) recognised in Profit or Loss	5,69,85,081	(3,65,45,397)	-
Tax Income/(Expense) recognised in Other Comprehensive Income	1,32,018	80,838	-
Deferred Tax Assets / (Liabilities) (net)	**2,06,52,540**	**(3,64,64,559)**	-

Movements in DTA: Amount in Rs.

Particulars	On account of Depreciation Loss/Employee Benefits	Others - Unused Tax Credits	Total
At 1st April, 2016	-	-	-
(Charged)/Credited:			
to Profit or Loss	1,08,99,138	-	1,08,99,138
to Other Comprehensive Income	80,838	-	80,838
At 31st March, 2017	1,09,79,976	-	1,09,79,976
(Charged)/Credited:			
to Profit or Loss	6,06,76,329	-	6,06,76,329
to Other Comprehensive Income	3,82,157	-	3,82,157
to Unused Tax Credits	-	28,56,688	28,56,688
At 31st March, 2018	**7,20,38,462**	**28,56,688**	**7,48,95,150**

Movements in DTL: Amount in Rs.

Particulars	Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting	Others	Total
At 1st April, 2016	-	-	-
(Charged)/Credited:			-
to Profit or Loss	4,77,58,703	-	4,77,58,703.00
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
At 31st March, 2017	4,77,58,703	-	4,77,58,703.00
(Charged)/Credited:			-
to Profit or Loss	64,83,907	-	64,83,907.00
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
At 31st March, 2018	**5,42,42,610**	-	**5,42,42,610**

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

7 Inventories **Amount in Rs.**

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Raw Materials	5,70,29,821	3,80,02,696	2,02,02,209
2	Work-in-Progress	38,94,932	13,05,477	-
3	Stores & Spares	6,55,25,481	4,56,11,582	97,40,586
4	Packing Materials	50,91,691	23,43,603	-
5	Finished Goods	13,43,24,682	8,79,57,641	-
6	Coal	4,79,36,400	1,77,61,201	54,26,057
	Total	**31,38,03,007**	**19,29,82,200**	**3,53,68,852**

7.1 Inventories are hypothecated to secure working capital facilities from the Federal Bank Ltd.

8 Trade Receivables **Amount in Rs.**

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Unsecured, Considered Good	16,77,165	5,65,72,706	-
	Total	**16,77,165**	**5,65,72,706**	-

8.1 Receivables are hypothecated to working capital facilities availed from the Federal Bank Ltd.

8.2 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. No trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.

9 Cash and Cash Equivalents **Amount in Rs.**

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Balances with Banks	32,94,265	64,55,084	64,57,663
2	Cash on Hand	25,167	1,04,686	1,48,700
3	Coins & Stamps on Hand	200	-	-
	Total	**33,19,632**	**65,59,770**	**66,06,363**

10 Other Current Assets **Amount in Rs.**

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances other than Capital Advances				
(a)	Advances to Suppliers	1,95,96,690	3,06,34,141	1,62,34,686
(b)	Prepaid expenses	10,60,585	10,88,066	5,01,649
(c)	Balance with Statutory / Government authorities	96,10,285	2,48,47,912	5,55,80,036
(d)	Rent Advance	29,000	29,000	29,000
	Total	**3,02,96,560**	**5,65,99,119**	**7,23,45,371**

Notes to financial statements for the year ended 31st March, 2018

11 Equity Share capital

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1 Authorised Share Capital 1,00,00,000 Equity Shares of Rs.10/- each (As at 31st March, 2017, 1,00,00,000 Equity Shares of Rs.10/- each) (As at 1st April, 2016, 1,00,00,000 Equity Shares of Rs.10/- each)	10,00,00,000	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000	10,00,00,000
2 Issued, Subscribed & Fully Paid Up Capital 1,00,00,000 Equity Shares of Rs.10/- each fully paid up (As at 31st March, 2017, 1,00,00,000 Equity Shares of Rs.10/- each fully paid up) (As at 1st April, 2016, 1,00,00,000 Equity Shares of Rs.10/- each fully paid up)	10,00,00,000	10,00,00,000	10,00,00,000
Total	**10,00,00,000**	**10,00,00,000**	**10,00,00,000**

3 The reconciliation of the number of Equity Shares outstanding and amount of share capital as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 is set out below :

Amount in Rs.

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Add: Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000

4 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.

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

Amount in Rs.

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
a) CERA Sanitaryware Limited, Holding Company	51,00,000	51.00	51,00,000	51.00	51,00,000	51.00
b) Anjani Vishnu Holdings Limited	43,99,994	44.00	43,99,994	44.00	41,99,994	42.00

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

12 Other Equity

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Retained earnings			
Balance as at the beginning of the year	(3,50,70,432)	-	-
Add: Profit / (Loss) for the year	5,74,10,331	(3,48,57,847)	-
Actuarial Gain / (Loss) on employee benefits (net of tax)	(3,47,177)	(2,12,585)	-
Closing balance	**2,19,92,722**	**(3,50,70,432)**	**-**

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

13 Borrowings — Amount in Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Term Loans (Secured) From Banks	24,31,77,065	28,31,77,063	31,57,78,176
2	Preference Share Capital 4,50,00,000 1% Cumulative Redeemable Preference Shares of Rs.10/- each (As at 31st March, 2017, 4,00,00,000 1% Cumulative Redeemable Preference Shares of Rs.10/- each) (As at 1st April, 2016, 2,60,00,000 1% Cumulative Redeemable Preference Shares of Rs.10/- each)	45,00,00,000	40,00,00,000	26,00,00,000
	Total	**69,31,77,065**	**68,31,77,063**	**57,57,78,176**

13.1 Type and Nature of Borrowings — Amount in Rs.

Particulars	Amount outstanding			Effective interest rate
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
Term Loans (including current maturities)	28,31,77,065	31,31,77,063	31,57,78,176	9.10%

a) Term loans from banks represents loans from Federal Bank which are secured by Industrial Land admeasuring of 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal and Factory Buildings and other fixed assets purchased out of the term loan proceeds.

b) Repayment Schedule — Amount in Rs.

Name of the Bank	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
The Federal Bank Limited	4,00,00,000	6,00,00,000	7,20,00,000	8,80,00,000	2,31,77,065

13.2 The reconciliation of the number of Preference Shares outstanding and amount of preference share capital as at 31st March, 2018, 31st March, 2017, and 1st April, 2016 is set out below :

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	4,00,00,000	40,00,00,000	2,60,00,000	26,00,00,000	2,60,00,000	26,00,00,000
Add: Shares issued during the year	50,00,000	5,00,00,000	1,40,00,000	14,00,00,000	-	-
Shares outstanding at the end of the year	4,50,00,000	45,00,00,000	4,00,00,000	40,00,00,000	2,60,00,000	26,00,00,000

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
a) CERA Sanitaryware Limited, Holding Company	2,42,30,000	53.84%	2,16,80,000	54.00%	1,45,40,000	55.92%
b) Anjani Vishnu Holdings Limited	1,94,70,000	43.27%	1,70,20,000	43.00%	96,40,000	37.08%

13.4 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 authorised 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 in Rs.	26,00,00,000	14,00,00,000	5,00,00,000	45,00,00,000

13.5 Redemption Reserve Creation:

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

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

14 Provisions

Amount in Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Non-Current Provisions			
1	**Provision for Employee Benefits**			
	Provision for Gratuity	8,41,794	5,90,031	3,14,786
	Provision for Leave Encashment	12,51,942	3,92,986	-
	Total	**20,93,736**	**9,83,017**	**3,14,786**
2	**Current Provisions**			
	Provision for Leave Encashment	65,892	20,684	-
	Total	**65,892**	**20,684**	**-**

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

15 Borrowings

Amount in Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Loans Repayable On Demand			
	Secured			
	a) Working Capital Loans			
	From Banks	18,56,35,942	16,82,96,399	-
	UnSecured			
	a) Working Capital Loans			
	From Banks	3,00,22,068	-	-
	Total	21,56,58,010	16,82,96,399	-

a) Working Capital facilities from Banks are secured by hypothecation of Inventories and book debts and collateral security of land admeasuring 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal.

b) As on the date of balance sheet there are no defaults in repayment of loan and interest

16 Trade Payables

Amount in Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Dues to Micro and Small Enterprises	-	-	-
2	Others	16,64,16,792	13,02,61,983	8,66,43,284
	Total	16,64,16,792	13,02,61,983	8,66,43,284

16.1 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.36.

17 Other Financial Liabilities

Amount in Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Current maturities of Long Term Debt	4,00,00,000	3,00,00,000	-
2	Dividend Payable on Preference Shares (Including Dividend Distribution Tax)	1,00,22,327	-	-
3	Expenses Payable	19,22,268	36,14,286	10,81,885
	Total	5,19,44,595	3,36,14,286	10,81,885

18 Other Current Liablities

Amount In Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
1	Advance from Customers	2,18,75,374	-	-
2	Statutory Dues Payable	59,04,822	1,86,09,687	28,20,521
	Total	2,77,80,196	1,86,09,687	28,20,521

19 Current Tax Liabilities (net)

Amount in Rs.

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Provision for Income Tax (Net of Advance Tax & TDS)	18,86,336	3,14,168	-
	Total	18,86,336	3,14,168	-

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

20 Revenue from operations Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	**Revenue from Operations**		
	Sale of products		
	Domestic Sales (Including Excise Duty)	77,82,08,958	61,27,65,869
2	**Other operating revenue**		
	Scrap sales (Including Excise Duty)	4,17,98,758	1,90,94,943
	Total	**82,00,07,716**	**63,18,60,812**

Sale of goods includes excise duty collected from customers INR 162.82 lacs (31 March 2017 INR 661.18 lacs)
Sale of goods net of excise duty is INR 8,037.26 lacs (31 March 2017 INR 5,657.42 lacs)

21 Other Income Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Interest Income from Financial Assets *	15,87,068	5,29,965
2	Sales Tax Incentive	4,19,04,726	3,72,66,719
3	Miscellaneous income	87,046	16,512
4	Foreign Exchange Gain (Net)	4,43,925	3,05,758
	Total	**4,40,22,765**	**3,81,18,954**

*Interest amount mainly includes interest on margin money deposits and Additional Consumption Deposits.

22 Cost of materials consumed Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Opening Stock	4,03,46,298	2,02,02,209
Add:	Purchases	30,07,13,910	24,30,61,229
	Sub-total	34,10,60,208	26,32,63,438
Less:	Closing Stock	6,21,21,512	4,03,46,298
	Total	**27,89,38,696**	**22,29,17,140**

23 Changes in inventories of Finished Goods and Work-in-Progress Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Closing stock		
	Finished Goods	13,43,24,682	8,79,57,641
	Work-in-Progress	38,94,932	13,05,477
		13,82,19,614	8,92,63,118
2	Opening stock		
	Finished Goods	8,79,57,641	-
	Work-in-Progress	13,05,477	-
		8,92,63,118	-
3	(Increase) / decrease		
	Finished Goods	(4,63,67,041)	(8,79,57,641)
	Work-in-Progress	(25,89,455)	(13,05,477)
	Net (Increase)/decrease in Stock	**(4,89,56,496)**	**(8,92,63,118)**

24 Employee Benefits Expense — Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Salaries, Wages and Bonus	2,87,68,220	2,10,79,295
2	Contribution to Provident Fund / ESIC	32,89,924	8,91,434
3	Gratuity Expenses	2,51,763	2,75,245
4	Staff Welfare Expenses	20,16,194	14,49,503
	Total	**3,43,26,101**	**2,36,95,477**

Refer Note 29 on Employee Benefits

25 Finance Costs — Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	Interest and Finance charges on Financial Liabilities not at fair value through Profit or Loss		
	i) Term Loans	2,92,36,289	3,13,25,623
	ii) Working Capital Loans	73,62,469	1,12,62,595
	iii) Other Borrowing Cost	1,14,18,549	37,02,690
	iv) Dividend on Preference Shares (including Dividend Distribution tax)	1,00,22,327	-
	Total	**5,80,39,634**	**4,62,90,908**

26 Other Expenses — Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	**Manufacturing Expenses**		
	Consumption of Stores		
	Opening Stock	6,33,72,783	1,51,66,643
	Add: Purchases	16,28,29,499	13,33,52,982
	Sub-total	22,62,02,282	14,85,19,625
	Less: Closing Stock	11,34,61,881	6,33,72,783
		11,27,40,401	8,51,46,842
	Power and fuel	28,27,06,905	19,13,84,841
	Wages - Contract Labour	4,65,63,238	3,72,02,059
	Repairs and maintenance		
	- Building	6,90,215	4,75,228
	- Plant & Equipment	69,28,621	1,71,38,311
	- Other Assets	79,83,067	15,99,204
2	**Administrative Expenses**		
	Travelling & Conveyance Expenses	21,96,780	21,84,761
	Advertisement expenses	27,720	1,51,335
	Insurance	10,63,339	6,88,038
	Rent, Rates and taxes	15,67,672	18,47,711
	Payment to Auditors:		
	As Auditor		
	Statutory Audit	1,00,000	75,000
	Tax Audit	25,000	25,000
	Legal and professional charges	49,97,252	50,33,769
	Excise Duty on increase/decrease in stock	-	1,01,96,510
	Printing, Stationary & EDP Expenses	9,85,653	13,74,050
	Office Expenses	12,90,281	14,02,915
	Vehicle Expenses	52,60,212	24,04,347
	Miscellaneous expenses	10,15,148	4,58,908
	Total	**47,61,41,504**	**35,87,88,829**

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

27 Current Tax — **Amount in Rs.**

Sr. No	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Current Tax	25,42,520	3,14,168
2	Less: Adjustment for Current Tax of Prior Periods	38,730	-
	Total	**25,03,790**	**3,14,168**

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.

Amount in Rs.

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Accounting Profit before Income Tax	29,29,039	20,01,718
At India's Statutory Income Tax Rate of 33.063% / 30.90%	-	-
Tax expenses recognised as per MAT (20.38% / 19.055%)	25,42,520	3,14,168
Income tax expense reported in the statement of Profit and loss - Deferred Tax		
due to Income exempt from Taxation	-	-
Non-Deductible Expenses for Tax purposes	-	-
Deductible Expenses for Tax purposes	-	-
Income not chargeable for Tax purpose	-	-
Effects of Excess/(Less) Tax for Tax purpose on Capital Gain/Loss	-	-
Others	(38,730)	-
Income Tax expense reported in the Statement of Profit and Loss	25,03,790	3,14,168

28 Deferred Tax — **Amount in Rs.**

Sr. No	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Deferred Tax Liability on account of difference of WDV	64,83,907	4,77,58,703
2	Deferred Tax Asset on account of Unabsorbed depreciation loss	(6,06,76,329)	(1,07,67,101)
3	Deferred Tax Asset on account of employee benefits	(2,50,139)	(1,32,037)
4	Unused tax credits	(25,42,520)	(3,14,168)
	Total	**(5,69,85,081)**	**3,65,45,397**

29 Notes to Employee Benefits

Defined Contribution Plans - General Description

Provident Fund: During the year, the company has recognised **Rs.** 22.82 lakhs (2016-17: Rs. 13.17 lakhs) as contribution to Employee Provident Fund in the Statement of Profit and Loss a/c (Refer Note No.24).

Defined Benefit Plans - General Description

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.10 Lakhs at the time of separation from the company.

Other long-term employee benefits - General Description

Leave Encashment:
Each employee is entitled to get 30 earned leaves for each completed year of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 30 days subject to maximum accumulation up to 60 days. In addition, each employee is entitled to get 7 casual leaves at the end of every year.

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:

Amount in Rs.

Particulars	Gratuity	Leave Encashment
Defined benefit obligation at 1st April 2016	3,14,786	-
Current service cost	2,47,035	1,23,274
Interest expense	25,183	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations - OCI	3,027	2,90,396
Defined benefit obligation at 31st March 2017	5,90,031	4,13,670
Current service cost	3,26,996	2,69,441
Interest expense	47,202	33,094
Benefits paid	-	-
Actuarial (gain)/ loss on obligations - OCI	(1,22,435)	6,01,629
Defined benefit obligation at 31st March 2018	**8,41,794**	**13,17,834**

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

Amount in Rs.

Particulars	Gratuity	Leave Encashment
Fair value of plan assets at 1st April 2016		
Defined benefit obligation at 1st April 2016	3,14,786	-
Amount recognised in the Balance Sheet at 1st April 2016	3,14,786	-
Fair value of plan assets at 31st March 2017		
Defined benefit obligation at 31st March 2017	5,90,031	4,13,670
Amount recognised in the Balance Sheet at 31st March 2017	5,90,031	4,13,670
Fair value of plan assets at 31st March 2018		
Defined benefit obligation at 31st March 2018	8,41,794	13,17,834
Amount recognised in the Balance Sheet at 31st March 2018	**8,41,794**	**13,17,834**

The principal assumptions used in determining gratuity are shown below:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Discount rate	8%	8%	8%
Future salary increases	4%	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 2018 for the estimated term of the obligations.

Demographic Assumptions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Retirement Age	58	58	58
Mortality table	IALM (2006-08)	LIC (2006-08)	LIC (2006-08)

Amount recognised in Statement of Profit and Loss:

Amount in Rs.

Particulars	Gratuity	Leave Encashment
Current service cost	3,26,996	2,69,441
Net interest expense	47,202	33,094
Remeasurement of Net Benefit Liability/ Asset	(1,22,435)	6,01,629
Amount recognised in Statement of Profit and Loss for year ended 31st March 2018	2,51,763	9,04,164
Current service cost	2,47,035	1,23,274
Net interest expense	25,183	-
Remeasurement of Net Benefit Liability/ Asset	3,027	2,90,396
Amount recognised in Statement of Profit and Loss for year ended 31st March 2017	2,75,245	4,13,670

Amount recognised in Other Comprehensive Income:

Amount in Rs.

Particulars	Gratuity	Leave Encashment
Actuarial (gain)/ loss on obligations	(1,22,435)	6,01,629.00
Return on plan assets (excluding amounts included in net interest expense)	-	-
Amount recognised in Other Comprehensive Income for year ended 31st March 2018	(1,22,435)	6,01,629
Actuarial (gain)/ loss on obligations	3,027	2,90,396
Return on plan assets (excluding amounts included in net interest expense)	-	-
Amount recognised in Other Comprehensive Income for year ended 31st March 2017	3,027	2,90,396

The principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are shown below:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Discount rate (in %)			
Gratuity	8.00	8.00	8.00
Leave Encashment	8.00	8.00	8.00
Salary Escalation (in %)			
Gratuity	4.00	4.00	4.00
Leave Encashment	4.00	4.00	4.00
Rate of return in plan assets (in %)			
Gratuity	0.00	0.00	0.00
Leave Encashment	0.00	0.00	0.00
Expected average remaining working lives of employees (in years)			
Gratuity	22.31	24.10	21.78
Leave Encashment	22.31	24.10	21.78

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Gratuity Amount in Rs.

Particulars	As at 31st March, 2018		As at 31st March, 2018		As at 31st March, 2018	
Assumptions	**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	85,580	(1,02,007)	(1,11,637)	91,938	85,580	(1,02,007)

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 financial statements for the year ended 31st March, 2018

30 Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit 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 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:

Amount in Rs.

Sr. No	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Net Profit attributable to the equity Shareholders (A)	5,74,10,331	(3,48,57,847)
2	Weighted average number of Equity Shares outstanding during the period (B)	1,00,00,000	1,00,00,000
3	Nominal value of Equity Shares (Rs.)	10.00	10.00
4	Basic/Diluted Earnings per Share (Rs.) (A/B)	5.74	(3.49)

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

31 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. C.V.K. Raju	Chief Executive Officer & Non-Executive Director
Mr. K Nagabhushana Rao	Chief Financial Officer (From 01.11.2017)
Mr. S Satyanarayana Murthy	Chief Financial Officer (Up to 05.05.2017)
Ms. Richa Bhamotra	Company Secretary (From 01.02.2018)
Mr. Krishna Chaitanya	Company Secretary (Up to 31.01.2018)
Mr. PVRLN Raju	Non-Executive Director
Mr. S C Kothari	Non-Executive Director
Mr. Atul Sanghvi	Non-Executive Director
Mr. R B Shah	Non-Executive Director
Mr. Jugal Kishore Taparia	Independent Director
Mr. P.S.Ranganath	Independent Director
Relatives of Director	
Mr. P Satya Naveen	Son of Mr PVRLN Raju

b) Transactions during the year with Related Parties:

Transactions during the year: Amount in Rs.

Particulars	31st March, 2018	31st March, 2017
A) CERA Sanitaryware Limited, Holding Company		
Sale of goods (Net)	77,17,80,799	59,30,36,509
Loans taken	31,00,00,000	15,00,00,000
Loans repaid	(31,00,00,000)	(15,00,00,000)
Interest on Un-Secured Loans	85,85,485	-
Advance Received	8,07,87,502	-
Advance Paid	(6,00,00,000)	-
Issue of Share capital (Preference)	2,55,00,000	7,14,00,000
Balance Outstanding		
- Advance from Customer	2,93,72,987	5,63,63,343
B) Anjani Vishnu Holdings Limited, Investor Company		
Issue of Share capital (Preference)	2,45,00,000	7,38,00,000
C) Hitech Print Systems Limited, Subsidiary of Investor Company		
Sale of goods (net)	1,10,016	-
Purchases	30,475	1,21,279
Balance Outstanding	1,10,016	(13,994)
D) Vennar Ceramics Limited, Associate of Investor Company		
Sale of goods (net)	99,92,336	16,27,078
Purchases	16,04,320	5,42,401
Balance Outstanding	-	(1,00,476)
E) Key Management Personnel		
Remuneration to		
Mr. C.V.K. Raju	45,60,000	22,26,000
Mr. PVRLN Raju	-	11,00,000
Mr. K Nagabhushana Rao	2,90,000	-
Mr. S Satyanarayana Murthy	41,806	-
Ms. Richa Bhamotra	35,000	-
Mr. Krishna Chaitanya	1,57,500	-
Consultancy Charges		
Mr. PVRLN Raju	12,00,000	-
Relatives of Director		
Mr. P Satya Naveen	12,57,600	11,37,600

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 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil, 1 April 2016: 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.

32 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:

Amount in Rs.

Particulars	Carrying value			Fair value		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial Assets						
Security deposits	1,77,51,600	45,00,000	37,50,000	1,77,51,600	45,00,000	37,50,000
Other financial assets	10,89,13,042	5,25,15,769	-	10,89,13,042	5,25,15,769	-
Trade receivables	16,77,165	5,65,72,706	-	16,77,165	5,65,72,706	-
Cash and cash equivalents	33,19,632	65,59,770	66,06,363	33,19,632	65,59,770	66,06,363
Total	**13,16,61,439**	**12,01,48,245**	**1,03,56,363**	**13,16,61,439**	**12,01,48,245**	**1,03,56,363**
Financial Liabilities						
Long term borrowings	69,31,77,065	68,31,77,063	57,57,78,176	69,31,77,065	68,31,77,063	57,57,78,176
Short term borrowings	21,56,58,010	16,82,96,399	-	21,56,58,010	16,82,96,399	-
Trade Payables	16,64,16,792	13,02,61,983	8,66,43,284	16,64,16,792	13,02,61,983	8,66,43,284
Current Maturities of long term borrowings	4,00,00,000	3,00,00,000	-	4,00,00,000	3,00,00,000	-
Other Financial liabilities	1,19,44,595	36,14,286	10,81,885	1,19,44,595	36,14,286	10,81,885
Total	**1,12,71,96,462**	**1,01,53,49,731**	**66,35,03,345**	**1,12,71,96,462**	**1,01,53,49,731**	**66,35,03,345**

Anjani Tiles Limited

Notes to financial statements for the year ended 31st March, 2018

33 **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, 2018: Amount in Rs.

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at amortised cost:					
Security deposits	31st March, 2018	1,77,51,600	-	-	1,77,51,600
Other financial assets	31st March, 2018	10,89,13,042	-	-	10,89,13,042
Trade receivables	31st March, 2018	16,77,165	-	-	16,77,165
Cash and cash equivalents	31st March, 2018	33,19,632	-	-	33,19,632

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2017: Amount in Rs.

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at amortised cost:					
Security deposits	31st March, 2017	45,00,000	-	-	45,00,000
Other financial assets	31st March, 2017	5,25,15,769	-	-	5,25,15,769
Trade receivables	31st March, 2017	5,65,72,706	-	-	5,65,72,706
Cash and cash equivalents	31st March, 2017	65,59,770	-	-	65,59,770

Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2016: Amount in Rs.

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at amortised cost:					
Security deposits	1st April, 2016	37,50,000	-	-	37,50,000
Cash and cash equivalents	1st April, 2016	66,06,363	-	-	66,06,363

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2018: Amount in Rs.

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at amortised cost:					
Long term borrowings	31st March, 2018	69,31,77,065	-	-	69,31,77,065
Short term borrowings	31st March, 2018	21,56,58,010	-	-	21,56,58,010
Trade Payables	31st March, 2018	16,64,16,792	-	-	16,64,16,792
Current Maturities of long term borrowings	31st March, 2018	4,00,00,000	-	-	4,00,00,000
Other Financial liabilities	31st March, 2018	1,19,44,595	-	-	1,19,44,595

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2017: Amount in Rs.

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at amortised cost:					
Long term borrowings	31st March, 2017	68,31,77,063	-	-	68,31,77,063
Short term borrowings	31st March, 2017	16,82,96,399	-	-	16,82,96,399
Trade Payables	31st March, 2017	13,02,61,983	-	-	13,02,61,983
Current Maturities of long term borrowings	31st March, 2017	3,00,00,000	-	-	3,00,00,000
Other Financial liabilities	31st March, 2017	36,14,286	-	-	36,14,286

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1st April, 2016: Amount in Rs.

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at amortised cost:					
Long term borrowings	1st April, 2016	57,57,78,176	-	-	57,57,78,176
Trade Payables	1st April, 2016	8,66,43,284	-	-	8,66,43,284
Other Financial liabilities	1st April, 2016	10,81,885	-	-	10,81,885

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.

34 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:

Amount in Rs.

Particulars	As at 31 March, 2018	As at 31 March, 2017
Security deposits	1,77,51,600	45,00,000
Other financial assets	10,89,13,042	5,25,15,769
Trade receivables	16,77,165	5,65,72,706
Cash and cash equivalents	33,19,632	65,59,770

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, 2018, 31st March, 2017 and 1st April, 2016.

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

Amount in Rs.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended 31st March, 2018						
Borrowings	21,56,58,010	-	-	69,31,77,065	-	90,88,35,075
Trade and other payables	-	16,64,16,792	-	-	-	16,64,16,792
Other financial liabilities	-	2,00,22,327	3,19,22,268	-	-	5,19,44,595
Year ended 31st March, 2017						
Borrowings	16,82,96,399	-	-	68,31,77,063	-	85,14,73,462
Trade and other payables	-	13,02,61,983	-	-	-	13,02,61,983
Other financial liabilities	-	-	3,36,14,286	-	-	3,36,14,286
As at 1st April, 2016						
Borrowings	-	-	-	-	57,57,78,176	57,57,78,176
Trade and other payables	-	8,66,43,284	-	-	-	8,66,43,284
Other financial liabilities	10,81,885	-	-	-	-	10,81,885

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 Lakhs

	Increase/decrease in basis points	Effect on profit before tax
31st March, 2018		
INR	+50	(20.11)
INR	-50	20.11
31st March, 2017		
INR	+50	(21.29)
INR	-50	21.29

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.

35 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. 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 Parent. 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.

Amount in Rs.

Particulars	At 31st March 2018	At 31st March 2017	At 1st April 2016
Borrowings	90,88,35,075	85,14,73,462	57,57,78,176
Other Liabilities	5,19,44,595	3,36,14,286	10,81,885
Trade and other payables	16,64,16,792	13,02,61,983	8,66,43,284
Less: Cash and short term deposits	33,19,632	65,59,770	66,06,363
Net debts	**1,12,38,76,831**	**1,00,87,89,961**	**65,68,96,982**
Equity	10,00,00,000	10,00,00,000	10,00,00,000
Other Equity	2,19,92,722	(3,50,70,432)	-
Total Capital	**12,19,92,722**	**6,49,29,568**	**10,00,00,000**
Capital and net debt	**1,24,58,69,553**	**1,07,37,19,529**	**75,68,96,982**
Gearing ratio (%)	**90.21%**	**93.95%**	**86.79%**

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, 2018 and 31st March, 2017.

36 Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Amount in Rs.

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Principal amount due and remaining unpaid	-	-	-
Interest due on above and the unpaid interest	-	-	-
Interest Paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

37 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:

The Company has one customer i.e.. Holding Company where sales exceeds 10% of the total revenue: Rs. 77,17,80,799/-.

38 First time adoption of Ind AS

With effect from April 1, 2017, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements for the year ended 31 March 2017.

Exemptions applied:

Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1. Mandatory exceptions

a) Estimates:

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

► FVTOCI – Quoted and unquoted equity shares.

► Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2018.

b) Derecognition of financial assets:

The company has applied the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets:

i. Financial Instruments: (Loan to employees, Security deposits received and security deposits paid) :

Financial assets like loan to employees, security deposits received and security deposits paid, have been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

d) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that assessing whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, hence the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

2. Optional exemptions

a) Deemed cost-Previous GAAP carrying amount: (PPE and Intangible assets)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financials as deemed cost at the transition date.

Reconciliation of Equity as at 01 April 2016 and 31st March, 2017

Particulars	Notes	Indian GAAP As at 1st April 2016	Ind AS Adjustments	Ind AS As at 1st April 2016	Indian GAAP As at 31st March, 2017	Ind AS Adjustments	Ind AS As at 31st March, 2017
I ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment		3,98,04,720	-	3,98,04,720	76,67,87,970	-	76,67,87,970
(b) Capital Work-in-Progress		60,87,37,322	-	60,87,37,322	-	-	-
(c) Other Intangible Assets		26,024	-	26,024	1,53,880	-	1,53,880
(d) **Financial Assets**					-		
- Loans	e	37,50,000	-	37,50,000	45,00,000	-	45,00,000
(e) Deferred Tax Assets (net)	a	-	-	-	-	-	-
(2) Current assets					-		
(a) Inventories		3,53,68,852	-	3,53,68,852	19,29,82,200	-	19,29,82,200
(b) **Financial Assets**					-		
(i) Trade Receivables		-	-	-	5,65,72,706	-	5,65,72,706
(ii) Cash and Cash Equivalents		66,06,363	-	66,06,363	65,59,770	-	65,59,770
(iii) Other Financial Assets	e	-	-	-		(5,25,15,769)	5,25,15,769
(c) Other Current Assets	e	7,23,45,371	-	7,23,45,371	10,94,29,056	5,28,29,937	5,65,99,119
Total Assets		**76,66,38,652**	**-**	**76,66,38,652**	**1,13,69,85,582**	**3,14,168**	**1,13,66,71,414**
II EQUITY AND LIABILITIES							
EQUITY							
a) Equity Share Capital	b	10,00,00,000	-	10,00,00,000	50,00,00,000	40,00,00,000	10,00,00,000
b) Other Equity		-	-	-	(3,50,70,432)	-	(3,50,70,432)
LIABILITIES					-		
(1) Non-Current Liabilities					-		
(a) Financial Liabilities					-		
- Borrowings	b	57,57,78,176	-	57,57,78,176	28,31,77,063	(40,00,00,000)	68,31,77,063
(b) Provisions		3,14,786	-	3,14,786	9,83,017	-	9,83,017
(c) Deferred Tax Liabilities (net)	a	-	-	-	3,67,78,727	3,14,168	3,64,64,559
(2) Current liabilities					-		-
(a) Financial Liabilities					-		
(i) Borrowings		-	-	-	16,82,96,399	-	16,82,96,399
(ii) Trade Payables		8,66,43,284	-	8,66,43,284	13,02,61,983	-	13,02,61,983
(iii) Other Financial Liabilities		10,81,885	-	10,81,885	3,36,14,286	-	3,36,14,286
(b) Other Current Liabilities		28,20,521	-	28,20,521	1,86,09,687	-	1,86,09,687
(c) Provisions		-	-	-	20,684	-	20,684
(d) Current Tax Liabilities (net)		-	-	-	3,14,168	-	3,14,168
Total of Equity & Liabilities		**76,66,38,652**	**-**	**76,66,38,652**	**1,13,69,85,582**	**3,14,168**	**1,13,66,71,414**
		-	-	-	-	-	-

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

	Particulars	Notes	Indian GAAP Year ended 31st March 2017	Ind AS Adjustments	Ind AS Year ended 31st March 2017
I	Revenue from Operations	c	56,57,42,449	6,61,18,363	63,18,60,812
II	Other Income		3,81,18,954	-	3,81,18,954
III	**Total Income (I+II)**		**60,38,61,403**	**6,61,18,363**	**66,99,79,766**
IV	**EXPENSES**				
	Cost of Materials Consumed		22,29,17,140	-	22,29,17,140
	Changes in Inventories of Finished Goods and Work-in-Progress		(8,92,63,118)	-	(8,92,63,118)
	Excise Duty		-	6,61,18,363	6,61,18,363
	Employee Benefits Expense	d	2,39,88,900	(2,93,423)	2,36,95,477
	Finance Costs		4,62,90,908	-	4,62,90,908
	Depreciation and Amortization Expense		3,94,30,449	-	3,94,30,449
	Other Expenses		35,87,88,829	-	35,87,88,829
	Total Expenses (IV)		**60,21,53,108**	**6,58,24,941**	**66,79,78,048**
V	**Profit Before Tax (III-IV)**		**17,08,295**	-	**20,01,718**
VI	Tax Expense:				
	1) Current Tax		3,14,168	-	3,14,168
	2) Mat Credit	a	(3,14,167)	3,14,167	-
	3) Deferred Tax	a	3,67,78,727	(2,33,330)	3,65,45,397
VII	**Profit / (Loss) for the Year (V-VI)**		**(3,50,70,432)**	**80,837**	**(3,48,57,847)**
VIII	**Other Comprehensive Income (OCI)**				
	Items that will not be reclassified to profit or loss				
	Actuarial gain / (loss) on employee benefits (net of tax)	d	-	(2,12,585)	(2,12,585)
XI	**Total Comprehensive Income for the year (VII + VIII)**		**(3,50,70,432)**	**0**	**(3,50,70,432)**

Reconciliation of Statement of Cash flow for the year ended 31st March, 2017

Particulars	Indian GAAP Year ended 31st March 2017	Ind AS Adjustments	Ind AS Year ended 31st March 2017
Net Cash flow from Operating Activities	(7,16,46,738)	-	(7,16,46,738)
Net Cash flow from Investing Activities	(15,78,04,233)	-	(15,78,04,233)
Net Cash flow from Financing Activities	22,94,04,378	-	22,94,04,378
Net increase/(decrease) in Cash and Cash Equivalents	(46,593)	-	(46,593)
Cash and Cash Equivalents as at 1st April, 2016	66,06,363		66,06,363
Cash and Cash Equivalents as at 1st March, 2017	65,59,770		65,59,770

Notes to the Reconciliation of Equity and Total Comprehensive Income:

a. Deferred Tax:

i) IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss respectively.

(ii) As per Ind AS 12, the Company has considered MAT entitlement credit as deferred tax asset being unused tax credit entitlement.

b. Borrowings:

As per Ind AS 109, the Company has classified Cumulative Redeemable Preference Shares as financial liabilities to be measured at amortised cost.

c. Revenue from Operations:

Under IGAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty has been included in revenue from operations and shown separately as an expense.

d. Defined Benefit Liabilities:

Both under IGAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements (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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

e. Loans/Other Financial Assets/ Other Current Assets:

(i) As per Schedule III, Security Deposits are to be classified under Loans or Other Non-current/Current Assets respectively
Accordingly, Security Deposits which are financial in nature are classified under Loans and other deposits are classified under Non-current/ Current Assets respectively

(ii) Under IGAAP, Loans and Advances were shown together under Loans and Advances. However, as per Schedule III, Loans are classified under other Non-current/Current Assets

Notes to financial statements for the year ended 31st March, 2018

39 Commitments and Contingencies

A. Contingent Liabilities

Amount in Rs.

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
1% Dividend on Preference Shares	-	42,32,602	7,28,962
Total	-	42,32,602	7,28,962

The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

B.

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Commitments	Nil	Nil	Nil

40 Previous Year figures have been regrouped/recast wherever necessary.

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

M. ANANDAM & CO., ★ SECUNDERABAD ★ CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 18.04.2018

For and on behalf of the board

CVK Raju
Director
DIN: 07337953

RB Shah
Director
DIN: 00607602

Richa

Richa Bhamotra
Company Secretary
M.No: 30493

K Nagabhushana Rao
Chief Financial Officer

Place: Hyderabad
Date: 18.04.2018

ANJANI TILES LIMITED ★ HYDERABAD ★