

INDEPENDENT AUDITOR'S REPORT

To the Members of Somany Excel Vitrified Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Somany Excel Vitrified Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its Profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position/state of affairs, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses unmodified an opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 24 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - b) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or

- invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contain any material mis-statement.
- v. The Company has not declared or paid dividend during the year, accordingly the provisions of section 123 of the Companies Act, 2013 are not applicable.
- h) The Company has not paid any managerial Remuneration, accordingly, the provisions of section 197 of the Act are not applicable on the Company.

For LODHA & Co.
Chartered Accountants
Firm’s Registration No. 301051E

(Gaurav Lodha)
Partner
Membership No. 507462

UDIN: 22507462ALHFXA6089

Place: New Delhi
Date: 28th April, 2022

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SOMANY EXCEL VITRIFIED PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

- i (a)(A) The Company does not have any Property, Plant and Equipment and hence reporting under Clause 3(i)(a)(A) of the Order is not applicable to the Company.
 - (B) The Company has not capitalised any Intangible Assets and hence reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.
 - (b) The Company does not have any Property, Plant and Equipment and hence reporting under Clause 3(i)(b) of the Order is not applicable to the Company.
 - (c) The Company does not have any immovable properties and hence reporting under clause 3 (i)(c) of the Order is not applicable.
 - (d) The Company does not have any Property, Plant and Equipment and Intangible Assets, hence reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. (a) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) (a) and (b) of the Order are not applicable.
 - (b) The Company has not granted loans and advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c), (d), (e) and (f) of the Order is not applicable to the company.
- iv. The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.
 - v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year from the public within the provisions of section 73 to 76 or any other provisions of the Companies Act, 2013 and the Rules framed there under (to the extent applicable). We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for the business carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to the records of the Company, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they become payable.
- (b) There are no disputed dues which have remained unpaid as on 31st March 2022 on account of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty and duty of excise.
- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) As per the information and records verified by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) As per the information and records provided, on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) The provisions related to Whistle blower policy are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

xxi. According to the information and explanation given to us, the Company does not have any subsidiaries, associates and joint ventures and hence reporting under clause 3(xxi) of the Order is not applicable.

For **LODHA & CO,**
Chartered Accountants
ICAI-FRN: 301051E

(Gaurav Lodha)
Partner
Membership No. 507462

Place: New Delhi
Date: 28th April, 2022

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in Paragraph 2(f) under 'Report on Other legal and Regulatory Requirements'
section of our report of the even date)**

Report on the Internal Financial Controls over Financial Reporting 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 SOMANY EXCEL VITRIFIED PRIVATE LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanation given to us, we report that 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 March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

Gaurav Lodha
Partner
Membership No: 507462

Place: New Delhi
Date: 28th April, 2022

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current Assets			
Financial Assets			
(i) Loan	3	-	210.00
(ii) Other Financial Assets	4	-	0.18
Other Non-Current Assets	5	290.00	100.00
Deferred Tax Assets	6	-	0.32
		290.00	310.50
Current Assets			
Financial Assets			
(i) Trade Receivables	7	-	18.14
(ii) Cash and Cash Equivalents	8	116.74	4.96
(iii) Bank Balances other than (ii) above	9	-	14.00
(iv) Other Financial Assets	10	66.55	49.63
Current Tax Assets (net)	11	0.15	3.10
Other Current Assets	12	0.06	0.04
		183.50	89.87
Total Assets		473.50	400.37
EQUITY AND LIABILITIES			
Equity			
Share Capital	13	351.00	351.00
Other Equity	14	46.14	21.17
		397.14	372.17
Liabilities			
Current Liabilities			
Financial Liabilities			
(i) Trade Payables			
Outstanding dues of Micro Enterprises and Small Enterprises		-	-
Outstanding dues other than Micro Enterprises and Small Enterprises	15	-	27.29
(ii) Borrowings	16	75.00	-
(iii) Other Financial Liabilities	17	1.22	0.83
Other Current Liabilities	18	0.14	0.08
Current tax Liabilities (net)	19	-	-
		76.36	28.20
Total Equity and Liabilities		473.50	400.37

Significant Accounting Policies and Notes forming integral part of Financials Statements 1 to 35

As per report of even date attached

For and on behalf of Board of Directors

For LODHA & CO.
Chartered Accountants
(FRN No.- 301051E)

Sachin Jain
Director
DIN : 07708689

Ravi Kant
Director
DIN : 06938074

GAURAV LODHA
Partner
M. No. 507462

Place : New Delhi
Date : April 28, 2022

Place : Noida
Date : April 28, 2022

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	20	873.02	246.53
Other Income	21	19.06	23.97
Total Revenue		892.08	270.50
Expenditure			
Purchases of Stock-in-Trade		855.80	245.03
Change in Inventories of Finished Goods , Work-in-progress and Stock-in-Trade		-	-
Employee Benefit Expense		-	-
Finance Costs	22	1.08	0.20
Depreciation and Amortization Expense		-	-
Other Expenses	23	1.46	1.68
Total Expenditure		858.34	246.91
Profit/(Loss) Before Exceptional and Extraordinary Items and Tax		33.74	23.59
Exceptional Items (Net)		-	-
Profit/(Loss) before tax		33.74	23.59
Tax Expense:			
(1) Current Tax		8.45	3.71
(2) Deferred Tax Charge/(Credit)		0.32	(0.32)
(3) Income Tax for earlier years		-	(2.53)
Profit/(Loss) for the year		24.97	22.73
Other Comprehensive Income			
(1) Items that will not be reclassified to profit & loss		-	-
(2) Items that will be reclassified to profit & loss		-	-
Total Comprehensive Income for the year		24.97	22.73
Basic & Diluted Earnings Per Equity Share (Per Share Value of Rs. 10 each)	24	0.71	0.65
Significant Accounting Policies and Notes forming integral part of Financials Statements	1 to 35		

As per report of even date attached

For and on behalf of Board of Directors

For LODHA & CO.
Chartered Accountants
(FRN No.- 301051E)

GAURAV LODHA
Partner
M. No. 507462

Sachin Jain
Director
DIN : 07708689

Ravi Kant
Director
DIN : 06938074

Place : New Delhi
Date : April 28, 2022

Place : Noida
Date : April 28, 2022

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax as per Statement of Profit & Loss	33.74	23.58
i. Adjustment for :		
Interest and Finance Charges	1.08	0.20
Interest Income	(19.06)	(23.97)
Operating Profit/(Loss) before working capital changes	15.76	(0.19)
ii. Adjustment for :		
Trade and Other Receivables	18.30	(10.26)
Trade and Other payable	(27.82)	15.42
Net Cash generated/(used in) operating activities	6.24	4.97
Taxes Paid	(5.50)	(7.67)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	0.74	(2.70)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (including capital advance)	(190.00)	-
Loan received back	210.00	-
Interest received	2.15	2.70
Movement in Fixed Deposit	14.00	6.00
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	36.15	8.70
C CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loans Borrowings received	95.00	-
Short Term Loans Borrowings paid	(20.00)	-
Interest Paid	(0.11)	(8.83)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES (C)	74.89	(8.83)
D Net increase/(decrease) in cash & cash equivalents (A+B+C)	111.78	(2.83)
Cash & Cash Equivalent at the beginning of the year	4.96	7.79
Cash & Cash Equivalent at the end of the year	116.74	4.96

Notes :

- The above cash flow has been prepared under the Indirect Method set out in Indian Accounting Standards (Ind AS-7) - Statement of Cash Flows.
- Additional Disclosure required under Ind AS 7, Refer note no. 32.

As per report of even date attached

For and on behalf of Board of Directors

For LODHA & CO.
Chartered Accountants
(FRN No.- 301051E)

GAURAV LODHA
Partner
M. No. 507462

Place : New Delhi
Date : April 28, 2022

Sachin Jain
Director
DIN : 07708689

Ravi Kant
Director
DIN : 06938074

Place : Noida
Date : April 28, 2022

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

(a) Share Capital

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	35,10,000	351.00	35,10,000	351.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	35,10,000	351.00	35,10,000	351.00

(b) Other Equity

	Reserves and Surplus	Other	Total
	(Retained earnings)	Comprehensive Income	
Balance at 1 April 2020	(1.56)	-	(1.56)
Profit/(Loss) for the year	22.73	-	22.73
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income/(loss) for the year	22.73	-	22.73
Balance at 31 March 2021	21.17	-	21.17
Profit/(Loss) for the year	24.97	-	24.97
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income/(loss) for the year	24.97	-	24.97
Balance at March 31, 2022	46.14	-	46.14

As per report of even date attached

For and on behalf of Board of Directors

For LODHA & CO.
Chartered Accountants
(FRN No.- 301051E)

GAURAV LODHA
Partner
M. No. 507462

Place : New Delhi
Date : April 28, 2022

Sachin Jain
Director
DIN : 07708689

Place : Noida
Date : April 28, 2022

Ravi Kant
Director
DIN : 06938074

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1.1 Corporate and General Information

Somany Excel Vitrified Private Limited referred to as "the Company" is domiciled and incorporated in India on October 30, 2015. The registered office of the Company w.e.f. 15th April, 2019 is situated at Dukya Complex, 1st Floor Near Gandhi Nagar Railway station, Tonk road, Jaipur Rajasthan-302018 previously it was situated at 2A, C-119, Lalkothi Scheme Janpath, Jaipur, Rajasthan-302015, India.

The financial statements of the company for the year ended March 31, 2022 were authorized for issue in accordance with a resolution of the directors on April 28, 2022

2 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of Preparation

The financial statements of Somany Excel Vitrified Private Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis, further, financial assets and liabilities are remeasured at fair value at each reporting date, wherever applicable.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All Amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of financial assets: assessment of business model within which the assets are held.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when;

- i) Effective control of goods alongwith significant risks and rewards of ownership has been transferred to customer and in case of services, the year in which such services are rendered.
- ii) The amount of revenue can be measured reliably.
- iii) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

2.7 Provisions, Contingent Liabilities and Contingent Assets

Bases on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.8 Measurement of fair value

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

(a) Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(b) Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

(c) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains! losses attributable to changes in own credit risk are recognized in OCI. These gains! loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.10 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022	As At March 31, 2021
3 Loans		
(Unsecured, Considered Good Unless Stated Otherwise)		
Loans		
- With Others	-	210.00
	-	210.00
4 Other non-current financial assets		
(Unsecured, Considered Good Unless Stated Otherwise)		
Deposits with Others	-	0.18
	-	0.18
5 Other Non Current Assets		
(Unsecured, Considered Good Unless Stated Otherwise)		
Capital Advances *	290.00	100.00
	290.00	100.00
*Capital Advance of Rs. 290 Lakhs (Previous year Rs. 100 Lakhs), represents payment made to a party for purchase of parcel of land in Rajasthan who had offered different parcels of land to the Company. The management is in the process of assessing/scrutinising the location, title deeds, etc considering its plan for setting up manufacturing unit and had also asked the party for alternative parcels of land. The Company is confident of completing the process of acquisition in near future, hence considered the same good.		
6 Deferred Tax Assets		
Mat Credit	-	0.32
	-	0.32
7 Trade Receivables		
i) Secured, Considered good		
ii) Unsecured, Considered Good		
Considered Good	-	18.14
Total	-	18.14
Trade Receivables ageing schedule for the period ended March 31, 2021		
Particulars	Outstanding for following periods from due date of payment	
	Less than 6 months	Total
(i) Undisputed Trade receivables – considered good	18.14	18.14
8 Cash and cash equivalents		
Balance with banks:		
-On Current Account	116.74	4.96
	116.74	4.96
9 Other bank balances		
Fixed Deposits (with remaining maturity less than 12 months)	-	14.00
	-	14.00
10 Other current financial assets		
Accrued Interest	66.55	49.63
	66.55	49.63
11 Current Tax Assets (net)		
Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of Rs 8.45 lakhs) (previous year Rs. 3.71 lakhs)	0.15	3.10
	0.15	3.10
12 Other Current Assets		
Indirect Tax Recoverable/adjustable	0.04	-
Advances to other	0.02	0.19
Less : provision for advance	-	0.15
	0.06	0.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

As At
March 31, 2022As At
March 31, 2021**13 Share Capital****Authorised**

Equity Shares 80,00,000 (Previous Year - 80,00,000) of Rs. 10/- each	800.00	800.00
Preference Shares 20,00,000 (Previous Year - 20,00,000) of Rs. 10/- each	200.00	200.00
	<u>1,000.00</u>	<u>1,000.00</u>

Issued, Subscribed and Paid up

Equity Shares 35,10,000 (Previous Year - 35,10,000) of Rs 10/- each fully paid up	351.00	351.00
	<u>351.00</u>	<u>351.00</u>

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Number of Shares
Share outstanding in the beginning of the year	35,10,000	35,10,000
Equity Shares issued during the year in consideration for cash	-	-
Share outstanding at the end of the year	<u>35,10,000</u>	<u>35,10,000</u>

c. (i) Share Capital held by Holding Company

Somany Ceramics Ltd. (with its nominees)	35,10,000	35,10,000
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(ii) List of shareholders holding more than 5% of the Equity**Share Capital of the Company (In numbers)**

Somany Ceramics Ltd. (Holding Company) (with its nominees)	35,10,000	35,10,000
	<u>35,10,000</u>	<u>35,10,000</u>

d. Shareholdings of Promotors at the end of March 31, 2022

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Somany Ceramics Ltd. (with its nominees)	35,10,000	100.00	-

Shareholdings of Promotors at the end of March 31, 2021

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Somany Ceramics Ltd. (with its nominees)	35,10,000	100.00	-

14 Other Equity**Retained earnings**

Balance at the beginning of the year	21.17	(1.56)
Transfer from Statement of Profit and Loss	24.97	22.73
Closing Balance	46.14	21.17

Total of Reserves & Surplus

	<u>46.14</u>	<u>21.17</u>
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Nature and Purpose of Reserves

- (i) Retained Earnings- Retained Earnings represents profit that the Company has earned till date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

As At
March 31, 2022As At
March 31, 2021**15 Trade Payables**

Outstanding dues of Micro Enterprises and Small Enterprises #		
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	-	27.29
	-	27.29

The Company has not received the information from vendors regarding their status as micro & small enterprise under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act); hence, details are provided to the extent available.

Trade Payables ageing schedule for the period ended March 31, 2021

Particulars	Outstanding for following periods from due date of payment	
	Not due	Total
i) MSME	-	-
ii) Others	27.29	27.29

16 Borrowings**Unsecured Loans:**

From Body Corporate (holding Company)	75.00	-
	75.00	-

*Unsecured Loan represents loans taken from related party of Rs. 75 Lakhs at an interest rate of 9%-10.5% per annum. Terms and conditions of the loans are as per the agreement.

17 Other Financial Liabilities (Current)

Interest payable to related party	0.97	-
Other Payables		
-Others	0.25	0.83
	1.22	0.83

18 Other Current Liabilities

Statutory Dues	0.14	0.08
	0.14	0.08

19 Current Tax Liabilities (net)

Provision for Income Tax (Net of Advance tax)	-	-
	-	-

SOMANY EXCEL VITRIFIED PRIVATE LIMITED
NOTES TO THE STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
20 Revenue from Operations		
Sale of goods	873.02	246.53
	873.02	246.53
21 Other Income		
Interest Income	19.06	23.97
	19.06	23.97
22 Finance Cost		
Interest Expense	1.08	0.20
	1.08	0.20
23 Other Expenses		
Rent	0.12	0.09
Rates & Taxes	0.05	0.27
Legal & Professional Expenses	0.80	0.63
Audit Fees	0.25	0.25
Other Expenses	0.24	0.44
	1.46	1.68
24 Earning per share		
Total Profit/(Loss) for the year	24.97	22.73
Weighted average number of equity shares of Rs. 10/- each	35,10,000	35,10,000
EPS - Basic and Diluted (Per share in Rs.)	0.71	0.65

SOMANY EXCEL VITRIFIED PRIVATE LIMITED

(Rs. In Lakhs)

Notes to financial statements for the year ended March 31, 2022

As at
March 31, 2022

As at
March 31,
2021

25 Contingent liabilities, contingent assets and commitments

A. Contingent liabilities

Contingent Liabilities not provided for (As certified by the management)

NIL NIL

B. Commitments

Estimated amount of contracts remaining to be executed on Capital Account not provided for [Net of Advances]

- -

26 Related Party Disclosure:

A. Related parties and their relationships

i Holding Company

Somany Ceramics Limited

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

March 31,
2022

March 31,
2021

a) Details of transactions with Related Parties

Somany Ceramics Limited

Loan received during the year

95.00 -

Loan Repaid during the year

20.00 -

Support Services Received

0.60 -

Interest Expense

1.08 -

Payment made on behalf of us

0.62 0.59

Outstanding at the year end

Loan Payable

75.00 -

Interest Payable

0.97 -

Somany Bath Fittings Private Limited

Sale to Fellow Subsidiary

870.97 220.52

Outstanding at the year end

Trade Receivable

- 18.14

27 Analytical Ratios

S. No.	Particular	Numerator (A)	Denominator (B)	March'22	March'21	% of variance	Reason for variance
i	Current Ratio	Current Assets	Current Liabilities	2.4	3.19	-24.69%	-
ii	Debt-Equity Ratio	Total Debt	Net worth	0.19	-	-	-
iii	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	NA	NA	-	-
iv	Return on Equity Ratio	Net Profits after taxes	Average Net worth	6.00%	6.00%	0.00%	-
v	Inventory turnover	Sales	Closing Inventory	-	-	-	-
vi	Trade Receivables	Credit Sales	Closing Trade Receivables	-	13.59	-	-
vii	Trade payables	Credit Purchases	Closing Trade Payable	-	8.98	-	-
viii	Net capital turnover ratio	Sales	Working capital	13.35	4.35	207.1%	Increase in sales
ix	Net profit ratio	Net profit	Sales	2.86%	9.22%	-69.0%	-
x	Return on Capital employed	Earning before interest and taxes	Capital Employed	8.77%	6.39%	37.2%	-
xi	Return on investment	NA	NA	-	-	-	-

28 Financial instruments – Fair values and risk management**I. Fair value measurements****A. Financial instruments by category**

	As at March 31, 2022		As at March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Loans				
Non Current	-	-	-	210.00
Trade receivables	-	-	-	18.14
Cash and cash equivalents	-	116.74	-	4.96
Bank balances other than above	-	-	-	14.00
Others				
Non Current	-	-	-	0.18
Current	-	66.55	-	49.63
	-	183.29	-	296.91
Financial Liabilities				
Short terms borrowings	-	75.00	-	-
Trade payables	-	-	-	27.29
Other current financial liabilities	-	1.22	-	0.83
	-	76.22	-	28.12

B. Financial assets and liabilities measured at amortised cost

	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Loans				
Non Current	-	-	210.00	210.00
Trade receivables	-	-	18.14	18.14
Cash and cash equivalents	116.74	116.74	4.96	4.96
Bank balances other than above	-	-	14.00	14.00
Others				
Non Current	-	-	0.18	0.18
Current	66.55	66.55	49.63	49.63
	183.29	183.29	296.91	296.91
Financial Liabilities				
Short term borrowings	75.00	75.00	-	-
Trade payables	-	-	27.29	27.29
Other current financial liabilities	1.22	1.22	0.83	0.83
	76.22	76.22	28.12	28.12

The carrying amounts of cash and cash equivalents, other current financial assets & other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely. The Management impact analysis shows credit risk and impact assessment as low.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due.

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

	Carrying Amounts March 31, 2022	On demand	Contractual cash flows		
			Less Than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Short term borrowings	75.00	-	75.00	-	-
Other current financial liabilities	1.22	-	1.22	-	-
Total non-derivative liabilities	76.22	-	76.22	-	-

	Carrying Amounts March 31, 2021	On demand	Contractual cash flows		
			Less Than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	27.29	-	27.29	-	-
Other current financial liabilities	0.83	-	0.83	-	-
Total non-derivative liabilities	28.12	-	28.12	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

Interest Rate Risk

The company currently is not exposed to variable interest rate risk.

Exposure to interest rate risk

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

	Nominal Amount	
	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial assets	-	224.00
Financial liabilities	75.00	-
	75.00	224.00

Variable-rate instruments

Financial assets	-	-
Financial liabilities	-	-
	-	-

	For the year ended March 31, 2022	For the year ended March 31, 2021
29 Payments to Auditors :		
Statutory audit fee	0.25	0.25
Certification fees	0.15	0.15
Total	0.40	0.40

30 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) which is the Board of Directors of the company approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

31 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The following table summarises the capital of the Company

Particulars	31.03.2022	31.03.2021
Equity Share Capital	351.00	351.00
Other Equity	46.14	21.17
Total Equity	397.14	372.17
Current Borrowings	75.00	-
Total Debts	75.00	-

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

Particulars	31.03.2022	Cash Flow	Non- Cash Changes		31.03.2021
			Foreign Exchange Movement	Others	
Short-term borrowings	75.00	75.00	-	-	-
Issue of Share Capital	351.00	-	-	-	351.00
Total liabilities from financing activities	426.00	75.00	-	-	351.00

33 Other Information in terms of the amendment in Schedule III of the Companies Act ,2013 vide Notification No. GSR 207(E) dated 24th March 2021-

- The Company does not have any benami property, and no proceeding has been initiated or pending against the Company for holding any benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - Provide any Guarantee, Security, or the like on behalf of the ultimate beneficiaries.

g) The company has not been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from bank on the basis of security of current assets.

h) The Company has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

i) The Company have not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.

34 Covid-19 pandemic has caused a significant impact in the first quarter of the current year on account of demand destruction for the Company. In view of improved market condition, the Company estimates to recover the carrying amount of its assets including inventories, receivables, and loans in the ordinary course of business.

35 The figures for the previous periods have been regrouped/ rearranged, wherever considered necessary, to conform current period classifications.

The accompanying notes form an integral part of these financial statements

As per report of even date attached

For and on behalf of Board of Directors

**For LODHA & CO.
Chartered Accountants
(FRN No.- 301051E)**

GAURAV LODHA
Partner
M. No. 507462

Place : New Delhi
Date : April 28, 2022

Sachin Jain
Director
DIN : 07708689

Place : Noida
Date : April 28, 2022

Ravi Kant
Director
DIN : 06938074