

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

1 Reporting Entity

Somany Ceramics Limited referred to as “the Company” is domiciled in India. The registered office of the Company is at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Company has own manufacturing plants in Kadi (Gujarat) and Kassar (Haryana), India. The Company is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The financial statements of the Company for the year ended March 31, 2020 were authorized for issue in accordance with a resolution of the directors on June 25, 2020.

2 Significant Accounting Policies

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The standalone financial statements of Somany Ceramics 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended 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 and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liabilities/(assets): present value of defined benefit obligation less fair value of plan assets.

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 takes into account the characteristics of the asset or liability, if market

participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee (‘INR’), which is the Company’s functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

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

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

Judgements

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

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

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:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit & Loss in the period in which they are incurred.

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities

or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

2.6 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/liability is treated as current when it is:

- Expected to be realised/settled 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 equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

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

2.7 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

Subsequent Measurement

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

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold improvements are being amortised over the period of 5 to 10 years.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5000 are fully depreciated in the year of purchase.

Capital work-in-progress (CWIP)

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

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit & Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.10 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit & Loss in the period in which they are incurred.

2.12 Foreign currency transactions

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

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

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

2.13 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount

expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.14 Revenue Recognition

The Company recognises 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. For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

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

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

2.15 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials, traded goods and stores & spare parts are computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognised 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 recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

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.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognised at cost.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

c) Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

2.18 Financial instruments

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.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. 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 income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

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

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through Profit & Loss (FVTPL)

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

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 FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognise 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.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

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 the Statement of Profit & 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. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

Financial liabilities

Initial recognition and measurement

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

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 & Loss.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through Profit & Loss include financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & 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 recognised in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit & Loss. 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 & Loss.

Derecognition of financial liabilities

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

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit & 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 recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

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.

2.20 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 recognised as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset. ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under Notes forming part of the Financial Statement.

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.21 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.

2.22 Segment Reporting

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

2.23 Government Grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met. Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

2.24 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2020.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

3. (i) Property, plant and equipment (2019-20)

Particulars	Gross Block					Depreciation					Net Block	
	March 31, 2019	Transfer to Right of Use Assets	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer to Right of Use Assets	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Tangible Assets												
Freehold land	581.39	-	-	-	581.39	-	-	-	-	-	581.39	581.39
Buildings	7,524.63	-	2,233.61	4.97	9,753.27	1,000.35	-	372.67	1.24	1,371.78	6,524.28	8,381.49
Plant and equipments	28,332.72	-	3,308.65	382.75	31,258.62	3,256.90	-	1,474.68	93.70	4,637.88	25,075.82	26,620.74
Office Equipments	1,280.22	-	232.75	15.61	1,497.36	538.21	-	290.38	10.51	818.08	742.01	679.28
Furniture and fixtures	3,972.77	-	328.37	32.11	4,269.03	922.40	-	736.86	18.60	1,640.66	3,050.37	2,628.37
Vehicles	2,237.67	-	268.03	487.49	2,018.21	753.54	-	389.53	231.14	911.93	1,484.13	1,106.28
Assets under Finance Lease												
Leasehold lands	343.97	(343.97)	-	-	-	4.03	(4.03)	-	-	-	339.94	-
Total	44,273.37	(343.97)	6,371.41	922.93	49,377.88	6,475.43	(4.03)	3,264.12	355.19	9,380.33	37,797.94	39,997.55

3. (ii) Right of Use Assets (2019-20) (Refer note no.54)

Particulars	Gross Block					Amortization					Net Block	
	March 31, 2019	Transfer From PPE as per IndAS 116	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer From PPE as per IndAS 116	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Right of use Assets												
Leasehold lands	-	343.97	-	-	343.97	-	4.03	4.09	-	8.12	-	335.85
Buildings	-	-	3,693.87	-	3,693.87	-	-	777.42	-	777.42	-	2,916.45
Total	-	343.97	3,693.87	-	4,037.84	-	4.03	781.51	-	785.54	-	3,252.30

3. (iii) Other Intangible Assets (2019-20)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2019	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Intangible Assets										
Computer Softwares	1,032.19	44.22	-	1,076.41	462.96	198.34	-	661.30	569.23	415.11
Total	1,032.19	44.22	-	1,076.41	462.96	198.34	-	661.30	569.23	415.11

3. (i) Property, plant and equipment (2018-19)

Particulars	Gross Block				Depreciation				Net Block	
	March 31, 2018	Additions	Deletions/ Adjustment	March 31, 2019	March 31, 2018	For the year	Deletions/ Adjustment	March 31, 2019	March 31, 2018	March 31, 2019
Tangible Assets										
Freehold land	581.39	-	-	581.39	-	-	-	-	581.39	581.39
Buildings	7,397.07	142.07	14.51	7,524.63	653.73	347.99	1.37	1,000.35	6,743.34	6,524.28
Plant and equipments	27,325.44	1,255.88	248.60	28,332.72	1,928.22	1,380.40	51.72	3,256.90	25,397.22	25,075.82
Office Equipments	1,139.93	151.65	11.36	1,280.22	291.97	254.20	7.96	538.21	847.96	742.01
Furniture and fixtures	2,724.57	1,251.22	3.02	3,972.77	421.91	501.47	0.98	922.40	2,302.66	3,050.37
Vehicles	1,972.65	631.26	366.24	2,237.67	525.31	409.47	181.24	753.54	1,447.34	1,484.13
Assets under Finance Lease										
Leasehold land	96.90	247.07	-	343.97	2.38	1.65	-	4.03	94.52	339.94
Total	41,237.95	3,679.15	643.73	44,273.37	3,823.52	2,895.18	243.27	6,475.43	37,414.43	37,797.94

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

3. (iii) Other Intangible Assets (2018-19)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2018	Additions	Deletions/ Adjustment	March 31, 2019	March 31, 2018	For the year	Deletions/ Adjustment	March 31, 2019	March 31, 2018	March 31, 2019
Intangible Assets										
Computer Softwares	1,028.59	3.60	-	1,032.19	257.99	204.97	-	462.96	770.60	569.23
Total	1,028.59	3.60	-	1,032.19	257.99	204.97	-	462.96	770.60	569.23

Note:

- Addition to Plant & Machinery includes foreign exchange loss capitalized ₹ Nil (Previous year ₹52.46 lakhs).
- Assets pledged and Hypothecated against borrowings: Refer Note No. 19 & 25.

4. Non-current Investments

	As At March 31, 2020	As At March 31, 2019
Investment in Equity Instruments (Unquoted, fully paid up)		
Subsidiary Companies (measured at cost)		
a) 1,85,000 Equity Shares (Previous Year - 1,85,000) of ₹10/- each of SR Continental Limited*	18.50	18.50
b) 5,00,000 Equity Shares (Previous Year - 5,00,000) of ₹10/- each of Somany Bathware Limited (Formerly known as Somany Global Limited)*	50.00	50.00
c) 53,04,000 Equity Shares (Previous year - 53,04,000) of ₹10/- each of Amora Tiles Private Limited	530.40	530.40
d) 76,50,000 Equity Shares (Previous year - 76,50,000) of ₹10/- each of Somany Fine Vitrified Private Limited	765.00	765.00
e) 35,10,000 Equity Shares (Previous year - 25,10,000) of ₹10/- each of Somany Excel Vitrified Private Limited*	351.00	251.00
f) 50,49,000 Equity Shares (Previous year - 50,49,000) of ₹10/- each of Somany Sanitaryware Private Limited	550.01	550.01
g) 45,00,000 Equity Shares (Previous year - 45,00,000) of ₹10/- each of Vintage Tiles Private Limited \$	1,399.50	1,399.50
h) 25,35,000 Equity Shares (Previous year - 25,35,000) of ₹10/- each of Vicon Ceramic Private Limited \$	253.50	253.50
i) 90,00,000 Equity Shares (Previous year - 90,00,000) of ₹10/- each of Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited)	900.00	900.00
j) 14,60,000 Equity Shares (Previous year - 14,60,000) of ₹10/- each of Acer Granito Private Limited \$	511.00	511.00
k) 45,90,000 Equity Shares (Previous year - 45,90,000) of ₹10/- each of Amora Ceramics Private Limited	459.00	459.00
l) 9,48,141 Equity Shares (Previous Year - 9,48,141) of ₹10/- each of Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited) (Subsidiary w.e.f. May 1, 2018)	680.10	680.10
	6,468.01	6,368.01
	6,468.01	6,368.01
* including share held by the nominee share holders.		
\$ Considered as subsidiary under Ind-AS.		
a. Aggregate amount of investments are given below:		
Aggregate cost of unquoted investments	6,468.01	6,368.01
Aggregated amount of impairment in value of investment	-	-
b. None of the above investments are listed on any stock exchange in India or outside India.		

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

5. Loans

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)		
- With Related Parties #	4,229.60	3,708.79
- With Others	250.00	350.00
	4,479.60	4,058.79

For details of loans to related parties, refer Note No. 43, Related Party Transactions.

6. Other Financial Assets

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledged with Government Departments)	99.28	93.54
Bank Deposit held as Margin Money	151.76	142.61
Security Deposits		
- With Related Parties#	105.00	105.00
- With Others	605.55	570.21
	961.59	911.36

For details of security deposits to related parties, refer Note No. 43, Related Party Transactions.

7. Other Non-Current Assets

	As At March 31, 2020	As At March 31, 2019
Capital Advance	2.61	83.69
Prepaid Expenses	13.20	29.80
	15.81	113.49

8. Inventories

	As At March 31, 2020	As At March 31, 2019
(Valued at Lower of Cost and Net Realisable Value)		
(As taken, Valued and Certified by the Management)		
Raw Materials and Packing Materials	2,127.74	2,059.44
Work -in-Progress	729.87	625.91
Finished Goods	10,231.56	7,855.22
Stock in Trade	4,178.44	3,668.35
Stores and Spares	1,927.73	1,996.70
	19,195.34	16,205.62

- Inventories are hypothecated to secure borrowings. Refer to Note No. 19 & 25.
- During the year ₹9.43 lakhs (Previous year Nil) was credited to the Statement of Profit and Loss on account of reversal of write down of inventories. The charge to Statement of Profit and Loss on account of above during the year amounted to Nil (Previous year ₹199.40 lakhs).

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

9. Current Investments

	As At March 31, 2020	As At March 31, 2019
A) Investments in Bonds and Non Convertible Debentures (Unquoted) (valued at fair value through profit & loss)		
a) 400 Units (Previous Year - 500 Units) 9.70% U P Power Corporation Limited 04.07.2031 Bonds (NCD)	420.08	524.20
b) Nil Units (Previous Year - 111 Units) 10.20% SREI Infrastructure Finance Limited. 23.03.2020 (NCD)	-	1,110.00
c) 83 Units (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Limited (NCD) 2027	812.54	825.85
d) 103 Units (Previous Year - 108 Units) 9.00 % Shriram Transport Finance Co. Limited 28.03.2028 (NCD)	1,023.16	1,079.78
e) 105,500 Units (Previous Year - 105,500 Units) 9.60% SREI Infrastructure Finance Ltd 25.05.2028 (NCD)	1,066.07	1,053.94
f) Nil Units (Previous Year - 20 Units) 7.37% NTPC 2031	-	183.60
g) Nil Units (Previous Year - 201 Units) 7.20% Power Grid Corporation Ltd 2027#	-	1,861.26
h) Nil Units (Previous Year - 10 Units) 7.65% Konkan Railway Corporation Ltd	-	96.10
B) Investments in Mutual Fund (Quoted) (valued at fair value through profit & loss)		
Nil (Previous Year - 57,691 Units) HDFC Liquid Fund-Growth	-	2.11
C) Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)		
550 Equity Shares (Previous Year - 550 Equity Shares) of ₹2/- each of Punjab National Bank Limited	0.18	0.53
D) Investment in Preference Shares measured at cost		
Nil (Previous Year - 11,78,100) 5% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹10/- each of Somany Fine Vitrified Private Limited (Subsidiary company)	-	117.81
	3,322.03	6,855.18
# Pending transfer in the name of the Company refer note 46.		
Aggregate Book Value of Quoted Investments	0.18	2.64
Aggregate Market Value of Quoted Investments	0.18	2.64
Aggregate Book Value of Un-Quoted Investments	3,321.85	6,852.54
Aggregate amount of impairment in value of investments	-	-

10. Trade Receivables

	As At March 31, 2020	As At March 31, 2019
Unsecured		
Considered Good	25,628.87	39,846.34
Have Significant increase in Credit Risk	2,673.89	1,718.50
Considered Doubtful - Credit Impaired	346.33	10.14
	28,649.09	41,574.98
Less: Allowances for credit losses	1,348.00	566.55
	27,301.09	41,008.43

- For details of receivable from related parties, refer Note No. 43, Related Party Transactions.
- Trade Receivables are hypothecated to secure borrowings. Refer to Note 19 & 25.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

11. Cash and Cash Equivalents

	As At March 31, 2020	As At March 31, 2019
Balance with Banks		
- Current Accounts	784.30	2,383.44
Cash on Hand	10.53	17.08
	794.83	2,400.52

12. Other Bank Balances

	As At March 31, 2020	As At March 31, 2019
Earmarked Balances with Banks	100.07	94.34
Bank Deposits (Pledged with Government Departments)	99.28	93.54
Less:- Shown Under "Other Financial Assets"(More than 12 months)	151.76	142.61
Bank Deposits held as Margin Money	151.76	142.61
Less:- Shown Under "Other Financial Assets"(More than 12 months)	47.70	555.53
Unclaimed Dividend Accounts		
	48.49	556.33

13. Loans

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)		
- To Related Parties#	-	880.00
- To Others	3,030.00	5,840.00
	3,030.00	6,720.00

For details of loans to related parties, refer Note No. 43, Related Party Transactions.

14. Other Financial Assets

	As At March 31, 2020	As At March 31, 2019
Accrued Interest	1,167.10	940.79
Deposit with others	33.21	49.77
Others	67.23	16.51
	1,267.54	1,007.07

15. Current Tax Assets (net)

	As At March 31, 2020	As At March 31, 2019
Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of ₹16017.41 lakhs) (previous year ₹15698.35 lakhs)	1,031.22	264.48
	1,031.22	264.48

16. Other Current Assets

	As At March 31, 2020	As At March 31, 2019
Prepaid Expenses	244.59	162.63
Export Incentive Receivable	236.66	423.70
Other Advances#	1,922.76	1,290.10
Indirect Tax Recoverable/adjustable	832.67	1,370.14
	3,236.68	3,246.57
Less: Allowances for credit losses	31.63	19.02
	3,205.05	3,227.55

For details of advances to related parties, refer Note No. 43, Related Party Transactions.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

17. Equity Share Capital

	As At March 31, 2020	As At March 31, 2019
Authorised		
Equity Shares 13,65,00,000 (Previous Year - 12,50,00,000) of ₹2/-each*	2,730.00	2,500.00
Issued, Subscribed and Paid up		
Equity Shares 4,23,79,426 (Previous Year - 4,23,79,426) of ₹2/- each fully paid up	847.59	847.59
	847.59	847.59

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of ₹2/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.

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

	Number of Shares	Amount
Outstanding as on April 1, 2018	4,23,79,426	847.59
Equity Shares issued/bought back during the year	-	-
Outstanding at the March 31, 2019	4,23,79,426	847.59
Less:- Share cancelled pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Add:- Share allotted pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Outstanding at the March 31, 2020	4,23,79,426	847.59

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

	As At March 31, 2020	As At March 31, 2019
i) Abhishek Somany - in capacity of Trustee Of Shakthi Family Trust	1,00,80,055	-
ii) Shrivatsa Somany - in capacity of Trustee Of Sanrakshith Family Trust	43,37,872	-
iii) Shreekant Somany - in capacity of Trustee Of Srijan Family Trust	43,37,872	-
iv) Franklin Build India Fund	37,50,000	-
v) Franklin Templeton Mutual Fund	-	37,50,000
vi) Bhilwara Holding Limited*	-	92,02,200
vii) Sarvottam Vanijay Limited*	-	63,32,500
viii) Scope Vinimoy Private Limited*	-	35,52,500
ix) L And T Mutual Fund Trustee Limited	25,25,577	23,28,590
	2,50,31,376	2,51,65,790

* Refer Note No. 56.

18. Other Equity

	As At March 31, 2020	As At March 31, 2019
Special Reserve		
Balance at the beginning of the year	-	-
Addition/ (Transfer) during the year on Amalgamation	-	661.71
Less:- Transferred to General Reserve	-	(661.71)
Closing balance	-	-
Capital Reserve		
Balance at the beginning of the year	(4,502.42)	-
Addition/ (Transfer) during the year on Amalgamation	-	(4,502.42)
Addition/ (Transfer) during the year	-	-
Closing balance	(4,502.42)	(4,502.42)

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	As At March 31, 2020	As At March 31, 2019
Capital Redemption Reserve		
Balance at the beginning of the year	78.43	0.03
Addition/ (Transfer) during the year on Amalgamation	-	78.40
Addition/ (Transfer) during the year	-	-
Closing balance	78.43	78.43
Security Premium		
Balance at the beginning of the year	16,991.77	16,389.03
Addition/ (Transfer) during the year on Amalgamation	-	602.74
Addition/ (Transfer) during the year	-	-
Closing balance	16,991.77	16,991.77
General Reserve		
Balance at the beginning of the year	6,036.96	5,035.33
Addition/ (Transfer) during the year on Amalgamation	-	339.92
Addition/ (Transfer) during the year	-	661.71
Closing balance	6,036.96	6,036.96
Retained earnings		
Balance at the beginning of the year	39,789.42	33,713.47
Addition/ (Transfer) during the year on Amalgamation	-	2,825.70
Profit for the year	1,326.22	4,629.69
Amount available for appropriation	41,115.64	41,168.86
Less : Appropriation:		
Dividend Distributed	1,695.18	1,144.24
Dividend Distribution Tax	348.45	235.20
Closing Balance	39,072.01	39,789.42
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(32.95)	(12.48)
Other Comprehensive Income for the year	(116.63)	(20.47)
Closing Balance	(149.58)	(32.95)
Total Retained Earnings	38,922.43	39,756.47
Total Other Equity	57,527.17	58,361.21

19. Borrowings

	As At March 31, 2020	As At March 31, 2019
Secured		
Term Loans		
- from Banks	8,827.86	11,643.02
Car Loans		
- From Banks	807.10	1,108.61
	9,634.96	12,751.63
Less: Current Maturities of Non Current Borrowings		
Term loans		
- from Banks	2,738.62	3,233.40
Car Loans		
- from Banks	282.92	373.13
	3,021.54	3,606.53
	6,613.42	9,145.10

Notes

- a Rupee loan of ₹2603.49 lakhs (Previous Year ₹3635.25 lakhs) from a Bank is secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

- second pari passu charge over current assets of the company both present and future. Repayment of aforesaid loan is ₹1618.23 lakhs and ₹985.26 lakhs in FY21 and FY22 respectively.
- b Rupee loan of ₹6224.37 lakhs (Previous Year ₹7220.27 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹1120.39 lakhs, ₹1891.80 lakhs, ₹2091.80 lakhs and ₹1120.38 lakhs in FY21, FY22, FY23 and FY24 respectively.
- c Rupee loan of ₹ Nil (Previous Year ₹337.50 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future.
- d Rupee loan of ₹ Nil (Previous Year ₹450.00 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future.
- e The Company has availed moratorium of three months towards repayment of one term loan of ₹418.24 lakhs as per RBI Guideline.
- f Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly instalments over the period of loan.
- g Rate of interest applicable to all term loans is linked with MCLR.

20. Other Financial Liabilities

	As At March 31, 2020	As At March 31, 2019
Trade Deposits	2,343.40	2,107.69
Security Deposits	-	163.92
Others	-	202.50
	2,343.40	2,474.11

21. Provisions (Non Current)

	As At March 31, 2020	As At March 31, 2019
Employees Benefits	605.91	456.32
	605.91	456.32

22. Deferred Income

	As At March 31, 2020	As At March 31, 2019
Grants related to Property, Plant and Equipment	386.68	-
	386.68	-

Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

23. Deferred tax liabilities (net)

A. Movement in deferred tax balances

Particulars	As at March 31, 2019	Recognised in P&L		Recognised in OCI	As at March 31, 2020
		Reversal due to change in Tax rate	At current tax rate		
Deferred Tax Assets					
Accrued expenses	455.94	(117.61)	364.75	32.60	735.68
Others	-	-	43.13	-	43.13
Sub- Total (a)	455.94	(117.61)	407.88	32.60	778.81
Deferred Tax Liabilities					
Property, plant and equipments & Intangible assets	5,136.63	(1,437.03)	(59.63)	-	3,639.97
Others	17.83	-	-	-	17.83
Sub- Total (b)	5,154.46	(1,437.03)	(59.63)	-	3,657.80
Net Deferred Tax Liability (b)-(a)	4,698.52	(1,319.42)	(467.51)	(32.60)	2,878.99

Particulars	As at April 1, 2018	Recognised in P&L		Recognised in OCI	As at March 31, 2019
		Reversal due to change in Tax rate	At current tax rate		
Deferred Tax Assets					
Accrued expenses	376.19	-	68.75	11.00	455.94
Others	-	-	-	-	-
Sub- Total (a)	376.19	-	68.75	11.00	455.94
Deferred Tax Liabilities					
Property, plant and equipments & Intangible assets	4,578.61	-	558.02	-	5,136.63
Others	9.76	-	8.07	-	17.83
Sub- Total (b)	4,588.37	-	566.09	-	5,154.46
Net Deferred Tax Liability (b)-(a)	4,212.18	-	497.34	(11.00)	4,698.52

B. Amounts recognised in statement of profit & loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense		
Current year	455.52	2,027.30
Income tax for earlier year	122.21	31.20
	577.73	2,058.50
Deferred tax expense		
Origination and reversal of temporary differences	(1,786.93)	497.34
	(1,786.93)	497.34
Total Tax Expense	(1,209.20)	2,555.84

C. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred Tax (Charge)/Credit		
Remeasurements of defined benefit obligation	32.60	11.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

D. Reconciliation of effective tax rate

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Rate	Amount	Rate	Amount
Accounting profit before tax		117.02		7,185.53
Tax using the Company's domestic tax rate	25.17%	29.45	34.94%	2,510.91
Tax effect of:				
Non-deductible expenses		51.71		106.15
Changes in estimates related to prior years		122.21		31.20
Lower tax rate on gain on sale of investment		-		(61.95)
Impact of opening deferred tax assets/liabilities due to change in tax rate		(1,319.42)		-
Others		(93.15)		(30.47)
		(1,209.20)		2,555.84

Note: The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year.

24. Other Non-Current Liabilities

	As At March 31, 2020	As At March 31, 2019
Security Deposits	401.18	395.05
Less: Current Maturities	119.17	56.67
	282.01	338.38

25. Borrowings

	As At March 31, 2020	As At March 31, 2019
Secured Loans:		
Working Capital Facilities from Banks*		
- Working Capital Demand Loan	1,692.62	-
- Cash Credit	3,022.99	5,670.34
Unsecured Loans:		
- From a Banks (Repayable on demand)	3,700.00	4,800.07
- Discounting of Bills Payable	10,001.06	5,176.15
	18,416.67	15,646.56

*Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of current assets including stocks of raw materials, finished goods and stock in progress, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged.

26. Trade Payables

	As At March 31, 2020	As At March 31, 2019
Outstanding dues of Micro Enterprises and Small Enterprises*	553.66	87.53
Outstanding dues other than Micro Enterprises and Small Enterprises	12,954.47	26,032.54
	13,508.13	26,120.07

* For MSME disclosure, refer Note No. 50.

For details of payables to related parties, refer Note No. 43, Related Party Transactions.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

27. Other Financial Liabilities

	As At March 31, 2020	As At March 31, 2019
Current Maturities of Non Current Borrowings	3,021.54	3,606.53
Interest Accrued	1.84	-
Capital Creditors	368.80	274.48
Unclaimed Dividends	47.70	555.53
Others	113.69	96.62
	3,553.57	4,533.16

28. Other Current Liabilities

	As At March 31, 2020	As At March 31, 2019
Statutory Dues	375.41	1,796.87
Security Deposits - Current maturities of Other Non Current Liabilities	119.17	56.67
Advance from Customers	745.23	405.27
Sales Incentive	1,861.59	2,574.85
Others* #	1,870.93	1,796.77
	4,972.33	6,630.43

*includes accruals to employees and others

For details of payables to related parties, refer Note No. 43, Related Party Transactions.

29. Provisions (Current)

	As At March 31, 2020	As At March 31, 2019
Employees Benefits	234.11	85.77
	234.11	85.77

30. Revenue from Operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of Goods	1,58,270.24	1,68,513.11
Less: Capitalized/ Transferred to CWIP	25.31	-
	1,58,244.93	1,68,513.11
Other operating revenue		
Scrap Sales	214.06	229.20
Sundry Balance Written Back	533.38	249.50
Insurance Claim Received	172.69	158.17
Income From Services	360.00	405.00
	1,280.13	1,041.87
	1,59,525.06	1,69,554.98

31. Other Income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	1,423.25	1,687.39
Profit on Sale of Current Investments	28.39	244.03
Net Gain on Fair Value of Current Investments	-	62.17
Net Gain on Foreign Currency Translations and Transactions	101.99	46.66
Miscellaneous Income	156.30	129.83
	1,709.93	2,170.08

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

32. Cost of Materials Consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material Consumed	15,910.50	16,806.24
Packing Material Consumed	3,434.52	3,474.33
	19,345.02	20,280.57
Less: Capitalized/ Transferred to CWIP	141.29	-
	19,203.73	20,280.57

33. Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade

	For the year ended March 31, 2020	For the year ended March 31, 2019
Closing Stock		
Finished Goods	10,231.56	7,855.22
Stock-in-Trade	4,178.44	3,668.35
Total Finished Goods	14,410.00	11,523.57
Work-in-Progress	729.87	625.91
	15,139.87	12,149.48
Less: Opening Stock		
Finished Goods*	8,119.00	6,770.87
Stock-in-Trade	3,668.35	3,008.83
Total Finished Goods	11,787.35	9,779.70
Work-in-Progress	625.91	435.46
	12,413.26	10,215.16
(Increase)/ Decrease in Stock	(2,726.61)	(1,934.32)
	(2,726.61)	(1,934.32)

* current year figures includes ₹263.78 lakhs transfer on commissioning of New product line on January 8, 2020.

34. Employee Benefit Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary, Wages, Bonus etc.	16,014.58	15,455.13
Contribution towards Provident Fund and Gratuity Fund	743.87	711.11
Workmen & Staff Welfare	583.16	551.53
	17,341.61	16,717.77
Less: Capitalized/ Transferred to CWIP	24.10	-
	17,317.51	16,717.77

35. Finance Costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest	1,938.24	2,541.84
Interest expense on lease liabilities	271.49	-
Other Borrowing Costs	76.92	69.84
	2,286.65	2,611.68
Less: Capitalized/ Transferred to CWIP	105.77	-
	2,180.88	2,611.68

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

36. Other Expenses

	For the year ended March 31, 2020		For the year ended March 31, 2019	
Stores and Spare Parts Consumed		2,265.18		2,692.83
Power & Fuel		16,286.54		18,350.90
Repairs and Maintenance:				
Buildings		102.37		126.17
Plant & Machinery		339.86		316.08
Others		143.17		162.06
Rent		155.99		1,003.87
Rates & Taxes		228.28		246.61
Insurance		495.08		445.20
Travelling and Conveyance		1,911.07		2,187.05
Freight Outward and Handling Charges		3,122.49		3,632.03
Advertisement and Sales Promotion		5,163.85		4,863.43
Commission to Agents		297.05		433.01
CSR Expenses (Refer Note no. 55)		201.16		216.72
Provision for Credit Losses		804.20		283.23
Bad Debts	29.94		136.76	
Less: Provision for Credit Loss Reversed	10.13	19.82	32.43	104.33
Investment Written off			89.30	
Less: Provision for Diminution in Investment		-	89.30	-
Sundry Balances Written Off		107.38		17.80
Loss on Sale of Property, Plant and Equipments (net)		128.96		52.76
Property, Plant and Equipments Discarded /Written off		112.85		25.29
Net Loss on Fair Value of Current Investments		8.45		-
Other Expenses*		2,662.04		2,320.83
		34,555.79		37,480.20
Less: Capitalized/ Transferred to CWIP		151.74		-
		34,404.05		37,480.20

* For Payment to Statutory Auditor, Refer Note No. 45.

37. Earning per share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year	1,326.22	4,629.67
Weighted average number of equity shares of ₹2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in ₹)	3.13	10.92

38. Contingent liabilities, contingent assets and commitments as identified by the Company

A. Contingent liabilities (not provided for) in respect of:

Particulars	As at March 31, 2020	As at March 31, 2019
1. Claim and other demands against the Company not acknowledged as debts.	173.94	168.65
2. Sales Tax and purchase tax demands, among others against which the Company has preferred appeals.	239.93	239.93
3. Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	-	36.53
4. Income tax and wealth tax demand disputed by the Company which excludes penalty, if any, as same can not be measured at this stage	26.57	25.97

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

Particulars	As at March 31, 2020	As at March 31, 2019
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Company.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Company.	15.41	15.41

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.

B. Others

In light of judgment of Hon'ble Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

C. Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	50.69	353.70

(ii) The Company, in terms of the Share Subscription cum Shareholders Agreements with subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company has committed to a bank, for the same, in respect of one of the subsidiary. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.

39. Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

Particulars	Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020	Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019
Trade Deposits				
Commander Vitrified Private Limited	-	-	-	253.55
Vintage Tiles Private Limited	-	-	-	526.00
Vicon Ceramic Private Limited	-	-	-	326.50
Somany Sanitaryware Private Limited	-	-	-	700.00
Somany Fine Vitrified Private Limited	-	-	-	239.19
Acer Granito Private Limited	-	-	-	450.00
Inter Corporate Deposits				
Amora Ceramics Private Limited	260.10	260.10	260.10	286.64
Sudha Somany Ceramics Private Limited (formerly Sudha Ceramics Private Limited)	1,257.00	1,457.00	1,257.00	1,257.00
Somany Sanitaryware Private Limited	940.00	940.00	1,230.00	1,230.00
Acer Granito Private Limited	550.00	550.00	450.00	450.00
Vintage Tiles Private Limited	526.00	526.00	526.00	526.00
Somany Fine Vitrified Private Limited	357.00	357.00	239.19	239.19
Vicon Ceramic Private Limited	339.50	539.50	526.50	526.50
Somany Excel Vitrified Private Limited	-	100.00	100.00	110.00
Security Deposit Given				
Sudha Somany Ceramics Private Limited (formerly Sudha Ceramics Private Limited)	105.00	105.00	105.00	105.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

40. Foreign exchange exposures outstanding at the year-end:

Particulars		Amount	Amount	Amount	Amount
		(Foreign Currency in lakhs)	(Equivalent ₹ in lakhs)	(Foreign Currency in lakhs)	(Equivalent ₹ in lakhs)
		March 31, 2020		March 31, 2019	
Open Exposures					
Receivables	USD	6.62	497.18	12.73	-
Receivables	CNY	0.01	0.04	-	-
Payables	USD	1.06	80.23	15.05	-
Payables	EURO	2.81	235.67	0.26	20.02
Payables	CNY	0.32	3.30	-	-

41. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

a) Loan given for business purposes

Name	Terms of repayments of Outstanding balance	For the year ended		Outstanding as on	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Sudha Somany Ceramics Private Limited	After one year	400.00	1,155.00	1,257.00	1,257.00
Amora Ceramics Private Limited	After one year	-	-	260.10	260.10
Acer Granito Private Limited	After one year	250.00	300.00	550.00	300.00
Acer Granito Private Limited	With in One Year	-	150.00	-	150.00
Vintage Tiles Private Limited	After one year	-	526.00	526.00	526.00
Commander Vitrified Private Limited	With in One Year	-	345.00	345.00	345.00
Somany Sanitaryware Private Limited	After one year	440.00	-	940.00	500.00
Somany Sanitaryware Private Limited	With in One Year	-	730.00	-	730.00
Somany Fine Vitrified Private Limited	After one year	117.81	-	357.00	239.19
Somany Excel Vitrified Private Limited	After one year	-	110.00	-	100.00
Vicon Ceramic Private Limited	After one year	339.50	-	339.50	-
Vicon Ceramic Private Limited	With in One Year	-	200.00	-	526.50
Sungloss Ceramic Industries	After one year	-	-	250.00	250.00
Zealous Financial Services Private Limited	With in One Year	-	585.00	1,085.00	1,085.00
Tinna Rubber & Infrastructure Limited	After one year	-	-	-	100.00
JSTI Investment Limited	With in One Year	-	800.00	295.00	800.00
AM Mobile Telecom Private Limited	With in One Year	-	1,400.00	805.00	1,400.00
AM Professional Services Private Limited	With in One Year	-	400.00	300.00	400.00
Devang Consultancy Services Private Limited	With in One Year	-	300.00	200.00	300.00
Kushagra Properties Private Limited	With in One Year	-	300.00	-	300.00
Mentor Financial Services Private Limited	With in One Year	-	910.00	-	910.00
J R Laddha Financial Services Private Limited	With in One Year	-	300.00	-	300.00

The above loans carries interest rate in the range of 9.50% to 12.00% (Previous Year 9.50% to 14.50%)

b) Details of investments made is given in Note No. 4 and 9.

c) Details of guarantee and security given in Note No. 38 (C) (ii).

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

42. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Contribution to Provident Funds	592.96	576.69

Above amounts have been included in Contributions to Provident and Gratuity Fund (note no. 34) of the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components:

Particulars	March 31, 2020			March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Opening Balance	1,490.46	1,511.87	(21.41)	1,365.16	1,385.81	(20.65)
Included in profit & loss						
Current service cost	152.55	-	152.55	136.02	-	136.02
Interest cost / (income)	114.17	(115.81)	(1.64)	105.25	(106.85)	(1.60)
Past Service Cost including curtailment Gains/(Losses)	-	-	-	-	-	-
	266.72	(115.81)	150.91	241.27	(106.85)	134.42
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	(1.00)	-	(1.00)	-	-	-
- financial assumptions	114.81	-	114.81	6.02	-	6.02
- experience adjustment	(26.45)	-	(26.45)	44.66	-	44.66
- on plan assets	-	61.87	61.87	-	(19.21)	(19.21)
	87.36	61.87	149.23	50.68	(19.21)	31.47
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(178.39)	-	(178.39)	(166.65)	-	(166.65)
	(178.39)	-	(178.39)	(166.65)	-	(166.65)
Closing Balance	1,666.15	1,565.81	100.34	1,490.46	1,511.87	(21.41)

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

B. Plan assets

Particulars	March 31, 2020	March 31, 2019
Fund managed by insurer	100%	100%
	100%	100%

Above amounts have been included in Contributions to Provident and Gratuity Fund (note no. 34) of the Statement of Profit and Loss.

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

C. Actuarial assumptions

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

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.66%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay ₹178.37 lakhs (Previous Year ₹147.82 lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(65.70)	50.90	(58.75)	45.51
Expected rate of future salary increase (0.5% movement)	49.17	(65.05)	43.97	(58.17)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

43. Related parties as identified by the Company

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany [^]	Chairman & Managing Director
Mr. Abhishek Somany [^]	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany [^]	Whole time Director (Wife of Chairman & Managing Director)
Mr. G.G. Trivedi	Non- Executive Director
Mr. T.R. Maheshwari [^]	CEO upto April 16, 2019 & Additional Director from May 1, 2019 to August 18, 2019 and Non-Executive Director w.e.f. August 19, 2019
Mr. Saikat Mukhopadhyay [^]	Chief Financial Office (CFO)
Mr. Ambrish Julka [^]	GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. G. L. Sultania	Non- Executive Director (upto May 24, 2018)
Mr. Siddarath Bindra	Independent Director
Mr. R.K. Daga	Independent Director upto March 31, 2019
Mr. Ravindra Nath	Independent Director
Mr. Salil Singhal	Independent Director
Mr. Y. K. Alagh	Independent Director upto March 31, 2019
Mr. Rameshwar Singh Thakur	Independent Director w.e.f. May 24, 2018
Mrs. Rumjhum Chatterjee	Independent Director w.e.f. September 1, 2018
Mr. Vineet Agarwal	Additional Director from May 1, 2019 to August 18, 2019 and Independent Director w.e.f. August 19, 2019

[^] KMP under the Companies Act, 2013

ii Subsidiary Company

- SR Continental Limited
- Somany Bathware Limited (Formerly known as Somany Global Limited)
- Amora Tiles Private Limited
- Somany Fine Vitrified Private Limited
- Somany Sanitaryware Private Limited
- Somany Excel Vitrified Private Limited
- Vintage Tiles Private Limited
- Commander Vitrified Private Limited (Ceases W.e.f. July 1, 2018)
- Vicon Ceramic Private Limited
- Acer Granito Private Limited
- Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited)
- Amora Ceramics Private Limited
- Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited) (w.e.f. May 1, 2018)

iii. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

- H. L. Somany Foundation

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

- iv. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Schablona India Limited

- v. Other related parties with which Company has transactions:

Name

Trans India Ceramics Private Limited	Private company in which director is a director
Vidres India Ceramics Private Limited	Private company in which director is a director
Yogi Cerachem Private Limited	Private company in which director is a director
Ishiv India Solutions Private Limited	Private company in which director's relative is a director
Biba Apparels Private Limited	Private company in which director is a director
TCI-Concor Multimodal Solutions Private Limited	Private company in which director is a director
Transport Corporation of India Limited	Public company in which director is a director and holds more than 2% shares alongwith relatives
TCI Express Limited	Public company in which director is a director and holds more than 2% shares alongwith relatives

B. Transactions with related parties

	For the year ended	
	March 31, 2020	March 31, 2019
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
- Remuneration	299.60	296.28
- Commission	-	45.80
Outstanding at the year-end:		
- Remuneration Payable	3.66	10.16
- Commission Payable	-	45.80
Mr. Abhishek Somany		
- Remuneration	332.70	346.97
- Commission	-	-
- Rent Paid	9.84	9.36
Outstanding at the year-end:		
- Remuneration Payable	9.32	14.88
- Commission Payable	-	-
Mrs. Anjana Somany		
- Remuneration	26.88	26.90
- Rent Paid	3.36	3.20
Outstanding at the year-end:		
- Remuneration Payable	0.26	1.76
Mrs. Minal Somany		
- Remuneration	27.15	27.15
- Rent Paid	14.56	15.14
Outstanding at the year-end:		
- Salary Payable	1.31	1.30
Mr. G.G. Trivedi		
- Consultancy Fees	34.99	33.00
- Commission	-	5.00
- Sitting Fees	1.35	1.00
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. T.R. Maheshwari		
- Remuneration	54.67	115.20

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	For the year ended	
	March 31, 2020	March 31, 2019
- Consultancy Fees	44.86	-
- Sitting Fees	0.90	-
- Reimbursement of Expenses	0.05	-
Outstanding at the year-end:		
- Salary Payable	-	4.51
- Advance Receivable	-	30.00
Mr. Saikat Mukhopadhyay		
- Remuneration	122.27	102.64
Outstanding at the year-end:		
- Salary Payable	2.19	3.95
Mr. Ambrish Julka		
- Remuneration	31.03	27.66
Outstanding at the year-end:		
- Salary Payable	2.41	1.30
Non- Executive/Independent Directors		
Mr. G. L. Sultania		
- Commission	-	0.74
- Sitting Fees	-	0.30
Outstanding at the year-end:		
- Commission Payable	-	0.70
Mr. Siddharath Bindra		
- Commission	-	5.00
- Sitting Fees	1.60	0.90
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. R.K. Daga		
- Commission	-	5.00
- Sitting Fees	-	1.15
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Ravindra Nath		
- Commission	-	5.00
- Sitting Fees	1.00	0.55
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Salil Singhal		
- Commission	-	5.00
- Sitting Fees	1.45	0.75
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Y. K. Alagh		
- Commission	-	5.00
- Sitting Fees	-	0.45
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Rameshwar Singh Thakur		
- Commission	-	4.27
- Sitting Fees	1.35	0.30
- Reimbursement of Expenses	1.23	-
Outstanding at the year-end:		

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	For the year ended	
	March 31, 2020	March 31, 2019
- Commission Payable	-	4.06
Mrs. Rumjhum Chatterjee		
- Commission	-	2.90
- Sitting Fees	1.25	0.15
Outstanding at the year-end:		
- Commission Payable	-	2.76
Mr. Vineet Agarwal		
- Sitting Fees	1.20	-
Summary of payment made to KMP		
Short term employee benefits*	904.42	1,032.06
Other Payments	108.89	60.70
* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.		
b) With Subsidiary Companies are as under		
SR Continental Limited		
- Rent paid	0.24	0.24
- Payment made on their behalf	9.54	11.60
Outstanding at the year end:		
- Trade payable	0.18	-
Somany Bathware Limited		
- Payment made on their behalf	0.84	1.35
Amora Tiles Private Limited		
- Purchase of goods	5,229.55	6,416.63
- Technical services Income	-	45.00
Outstanding at the year end:		
- Other Receivable	365.54	232.63
Somany Sanitaryware Private Limited		
- Purchase of goods	4,836.32	4,990.57
- Sales of goods	509.30	249.83
- Interest received	119.85	109.60
- Deposit received back	-	700.00
- ICD given	180.00	1,230.00
- ICD received back	470.00	-
- Payment made on their behalf	6.87	-
Outstanding at the year-end:		
- Trade Receivable	429.54	81.14
- Interest receivable	274.24	209.99
- Trade payable	817.21	1,017.17
- ICD recoverable	940.00	1,230.00
Somany Fine Vitrified Private Limited		
- Purchase of goods	9,876.68	8,556.71
- Interest received	25.39	25.11
- ICD Given	117.81	-
Outstanding at the year-end:		
- Interest receivable	45.64	22.79
- Trade payable	2,309.52	3,054.68
- ICD recoverable	357.00	239.19
Somany Excel Vitrified Private Limited		
- ICD given	-	110.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	For the year ended	
	March 31, 2020	March 31, 2019
- ICD received back	100.00	10.00
- Interest received	5.52	4.07
- Investment in Equity Shares	100.00	100.00
- Payment made on their behalf	0.55	-
Outstanding at the year-end:		
- ICD recoverable	-	100.00
- Interest receivable	8.63	3.66
Vintage Tiles Private Limited		
- Purchase of goods	11,570.49	12,905.49
- Fees received for technical services	180.00	180.00
- Interest received	63.12	62.77
- Deposit received back	-	526.00
- ICD given	-	526.00
Outstanding at the year-end:		
- Other receivable	403.12	-
- Trade payable	-	612.41
- ICD recoverable	526.00	526.00
Commander Vitrified Private Limited		
- Purchase of goods	-	1,618.72
- Interest received	-	7.24
Vicon Ceramic Private Limited		
- Purchase of goods	3,115.76	4,258.08
- Interest received	42.29	51.41
- ICD given	13.00	200.00
- ICD received back	200.00	-
- Investment in equity shares	-	65.00
Outstanding at the year-end:		
- Interest receivable	119.59	81.53
- Trade payable	115.81	448.18
- ICD recoverable	339.50	526.50
Acer Granito Private Limited		
- Purchase of goods	8,215.07	9,341.19
- Fees received for technical services	180.00	180.00
- Interest received	40.02	36.17
- Deposit received back	-	450.00
- ICD given	250.00	450.00
- ICD received back	150.00	-
Outstanding at the year-end:		
- Interest receivable	19.81	7.99
- Trade payable	717.06	1,651.17
- ICD recoverable	550.00	450.00
Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited)		
- Purchase of goods	6,544.64	27.23
- Sale of goods	-	4.63
- Sale of Fixed Asset	6.13	-
- Rent Paid	6.75	-
- Investment in equity shares	-	538.83
- ICD given	400.00	1,155.00
- ICD received back	400.00	-
- Security deposit given	-	105.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	For the year ended	
	March 31, 2020	March 31, 2019
- Interest received	155.44	99.54
Outstanding at the year-end:		
- Interest receivable	134.84	90.78
- Security deposit receivable	105.00	105.00
- Trade Payable	629.27	27.50
- ICD recoverable	1,257.00	1,257.00
Amora Ceramics Private Limited		
- Purchase of goods	4,335.67	3,014.57
- Interest received	27.31	27.50
- Investment in equity shares	-	245.64
Outstanding at the year-end:		
- ICD recoverable	260.10	260.10
- Trade payable	421.05	260.06
- Interest receivable	24.58	-
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited)		
- Investment in equity shares	-	680.10
- Purchase of goods	2,150.08	2,025.40
- Sale of goods	11.30	-
Outstanding at the year-end:		
- Trade payable	218.68	248.54
c) With Other Related Parties are as under:-		
Schablona India Limited		
- Purchase of goods	10.90	90.57
- Rent Paid	4.67	-
- Sales of goods	3.74	117.61
- Rent received	0.24	0.45
Outstanding at the year-end:		
- Trade payables	1.03	-
- Trade receivable	575.59	575.59
Biba Apparels Private Limited		
- Sale of goods	-	3.67
Outstanding at the year-end:		
- Trade receivable	-	1.75
- Other Payables	1.66	-
TCI Express Limited		
- Purchase of Services	59.22	-
Outstanding at the year-end:		
- Trade payables	28.96	-
TCI-Concor Multimodal Solutions Private Limited		
- Purchase of Services	2.71	-
Outstanding at the year-end:		
- Trade payables	1.16	-
Transport Corporation of India Limited		
- Purchase of Services	212.43	-
Outstanding at the year-end:		
- Trade payables	22.87	-
Yogi Cerachem Private Limited		
- Purchase of goods	-	4.21
Vidres India Ceramics Private Limited		

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	For the year ended	
	March 31, 2020	March 31, 2019
- Purchase of goods	2,537.45	3,189.25
- Sale of Fixed Assets	-	7.18
Outstanding at the year-end:		
- Trade payable	358.54	346.92
H. L. Somany Foundation		
- Contribution towards CSR Activities	195.00	202.84
- Payments made on their behalf	-	5.70
Ishiv India Solution Private Limited		
- Purchase of goods	49.87	164.94
- Services received	-	2.77
Outstanding at the year-end:		
- Trade payable	7.39	8.47
Trans India Ceramics Private Limited		
- Purchase of goods	398.73	-
- Services received	18.31	-
Outstanding at the year-end:		
- Trade payable	3.16	-

For guarantee and surety given to related parties, refer Note 38(C)(ii).

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash. Terms and conditions for Loan refer note no.41.

44. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments				
Current	3,322.03	-	6,737.37	117.81
Loans				
Non current	-	4,479.60	-	4,058.79
Current	-	3,030.00	-	6,720.00
Trade receivables	-	27,301.09	-	41,008.43
Cash and cash equivalents	-	794.83	-	2,400.52
Bank balances other than above	-	48.49	-	556.33
Others				
Non current	-	961.59	-	911.36
Current	-	1,267.54	-	1,007.07
	3,322.03	37,883.14	6,737.37	56,780.31
Financial liabilities				
Borrowings				
Non current	-	6,613.42	-	9,145.10
Current	-	18,416.67	-	15,646.56
Lease Liability				
Non current	-	2,461.55	-	-
Current	-	626.29	-	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Other financial liabilities				
Non Current	-	2,343.40	-	2,474.11
Current	-	3,553.57	-	4,533.16
Trade payables	-	13,508.13	-	26,120.07
	-	47,523.03	-	57,919.00

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	0.18	3,321.85	-	3,322.03
Total financial assets	0.18	3,321.85	-	3,322.03

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	2.64	6,734.73	-	6,737.37
Total financial assets	2.64	6,734.73	-	6,737.37

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

C. Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments				
Current	-	-	117.81	117.81
Loans				
Non Current	4,479.60	4,479.60	4,058.79	4,058.79
Current	3,030.00	3,030.00	6,720.00	6,720.00
Trade receivables	27,301.09	27,301.09	41,008.43	41,008.43
Cash and cash equivalents	794.83	794.83	2,400.52	2,400.52
Bank balances other than above	48.49	48.49	556.33	556.33
Others				
Non Current	961.59	961.59	911.36	911.36
Current	1,267.54	1,267.54	1,007.07	1,007.07
	37,883.14	37,883.14	56,780.31	56,780.31
Financial liabilities				
Borrowings				
Non current	6,613.42	6,613.42	9,145.10	9,145.10
Current	18,416.67	18,416.67	15,646.56	15,646.56
Lease Liability				
Non current	2,461.55	2,461.55	-	-
Current	626.29	626.29	-	-
Other Financial Liability				
Non current	2,343.40	2,343.40	2,474.11	2,474.11
Current	3,553.57	3,553.57	4,533.16	4,533.16
Trade payables	13,508.13	13,508.13	26,120.07	26,120.07
	47,523.03	47,523.03	57,919.00	57,919.00

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

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 control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

ii. Credit risk

Financial loss to the Company, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations 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 closely both in domestic and export market.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹28,649.09 lakhs (Previous year – ₹41,574.98 lakhs).

Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Opening balance	566.55	315.68
Changes in loss allowance	781.45	250.87
Closing balance	1,348.00	566.55

Investments

Company invests in Bonds, Debentures, Liquid Mutual Funds etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

iii. Liquidity risk

Liquidity risk is the risk that the Company may face 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 manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

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.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

Particulars	Carrying Amount March 31, 2020	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	9,634.96	-	3,021.54	6,613.42	-
Other non-current financial liabilities	2,343.40	-	-	2,343.40	-
Current borrowings	18,416.67	8,415.61	10001.06	-	-
Lease Liability	3,087.84	-	626.29	1,884.11	577.44
Trade payables	13,508.13	-	13,508.13	-	-
Other current financial liabilities	532.03	-	532.03	-	-
Total financial liabilities	47,523.03	8,415.61	27,689.05	10,840.93	577.44

Particulars	Carrying Amount March 31, 2019	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	12,751.63	-	3,606.53	9,145.10	-
Other non-current financial liabilities	2,474.11	-	-	2,474.11	-
Current borrowings	15,646.56	10,470.41	5176.15	-	-
Trade payables	26,120.07	-	26,120.07	-	-
Other current financial liabilities	926.63	-	926.63	-	-
Total financial liabilities	57,919.00	10,470.41	35829.38	11,619.21	-

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO,CNY. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in lakhs).

	As at March 31, 2020			As at March 31, 2019	
	USD	EUR	CNY	USD	EUR
Trade receivables (A)	6.62	-	0.01	12.73	-
Payables (B)	1.06	2.81	0.32	15.05	0.26
Net statement of financial position exposure (B-A)	(5.56)	2.81	0.31	2.32	0.26

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
USD 1	70.88	69.94	75.73	69.39
EUR 1	78.80	80.96	83.94	78.33
CNY 1	10.18	-	10.24	-

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax and equity, net of tax as per below :

	(Profit) or loss		Equity, net of tax	
	Strength- ening	Weakening	Strength- ening	Weakening
March 31, 2020				
USD (10% movement)	42.12	(42.12)	31.52	(31.52)
EUR (10% movement)	(23.57)	23.57	(17.64)	17.64
CNY (10% movement)	(0.32)	0.32	(0.24)	0.24
March 31, 2019				
USD (10% movement)	(16.11)	16.11	(10.48)	10.48
EUR (10% movement)	(2.00)	2.00	(1.30)	1.30

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, the Company's borrowings at variable rate were denominated mainly in Indian Rupees.

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

Exposure to interest rate risk

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

Particulars	Nominal Amount	
	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments		
Borrowings	4,507.10	5,908.68
	4,507.10	5,908.68
Variable-rate instruments		
Borrowings	23,544.53	22,489.51
	23,544.53	22,489.51

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2020				
Variable-rate instruments				
Borrowings	(117.72)	117.72	(88.09)	88.09
Cash flow sensitivity	(117.72)	117.72	(88.09)	88.09
March 31, 2019				
Variable-rate instruments				
Borrowings	(112.45)	112.45	(73.10)	73.10
Cash flow sensitivity	(112.45)	112.45	(73.10)	73.10

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

45. Payment to Auditors

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Statutory audit fee	12.50	10.76
Tax audit fee	2.50	2.66
Limited Review and Certification fee	4.65	4.97
Reimbursement of expenses	1.88	1.19
Total	21.53	19.58

Previous year includes fees paid to statutory auditors of amalgamating companies (refer note no. 56)

46. Exceptional item

Mentor Financial Services Private Limited (Mentor) issued a cheque of ₹2,618.26 Lakhs, against amounts due. This cheque bounced owing to insufficient funds. The Company has issued demand notices to Mentor, its directors and authorized signatories for repayment. In view of the continued default, the Company has also filed criminal complaint against Mentor and its directors. As an abundant caution, the Company has accounted for the cheque bouncing event in the financial statements and disclosed it under the head Exceptional item.

In previous year Exceptional item of ₹741.28 lakhs consists of (i) Gain of ₹532.02 lakhs from divestment of investment in Commander Vitrified Private Limited (ii) Gain of ₹510.73 lakhs on account of provision written back, created earlier towards levy of additional tax on procurement of natural gas in Haryana plant (iii) Loss of ₹198.21 lakhs due to non-recoverability of an insurance claim in respect of loss of stock due to fire (iv) Loss of ₹1,585.82 lakhs due to defalcation committed by an employee (refer note (a) below).

(a) During the previous year, Company discovered defalcation committed by an employee, responsible for payment processing of certain imported trading goods. Matter is being investigated by law enforcement agencies. Company has insured such defalcation risks under Employee Dishonesty Insurance Policy. The Company is confident of recovering the amount. However, as a matter of abundant caution a provision has been created in the books of accounts.

47. Out of ₹11,999.97 lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹7,170.66 lakhs (previous year ₹1,849.97 lakhs), including issue expenses of ₹307.34 lakhs, for the purpose the fund were so raised and balance ₹4,829.31 lakhs (previous year ₹10,150.00 lakhs) has been temporarily invested mainly in the debt instruments/ funds.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

48. Dividend

Dividend paid during the year ended March 31, 2020 include ₹2/- per equity share towards final dividend for the year ended March 31, 2019 and ₹2/- per equity share towards interim dividend for the year ended March 31, 2020 out of profit available for distribution. Dividend paid during the year ended March 31, 2019 represent ₹2/- per equity share towards final dividend for the year ended March 31, 2018.

49. Segment Reporting

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

50. Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	March 31, 2020	March 31, 2019
Principal amount and Interest due thereon remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

51. 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 following table summarises the capital of the Company.

Particulars	March 31, 2020	March 31, 2019
Equity Share Capital	847.59	847.59
Other Equity	57,527.17	58,361.21
Total Equity	58,374.76	59,208.80
Non-Current Borrowings	6,613.42	9,145.10
Current maturities of Non-Current Borrowings	3,021.54	3,606.53
Current Borrowings	18,416.67	15,646.56
Total Debts	28,051.63	28,398.19

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

52. Changes in Liabilities from Financing Activities are as under:

Particulars	As at March 31, 2020	Cash Flow changes	Non Cash Changes		As at March 31, 2019
			Foreign Exchange Movement	Others	
Non Current borrowings	9,634.96	(3,135.12)	-	18.45	12,751.63
Current borrowings	18,416.67	2,770.11	-	-	15,646.56
Lease Liability	3,087.84	(877.52)	-	3,965.36	-
Total liabilities from financing activities	31,139.47	(1,242.53)	-	3,983.81	28,398.19

Particulars	As at March 31, 2019	Cash Flow changes	Non Cash Changes		As at March 31, 2018
			Foreign Exchange Movement	Others	
Non Current borrowings	12,751.63	1,273.48	-	-	11,478.15
Current borrowings	15,646.56	(1,741.71)	-	-	17,388.27
Total liabilities from financing activities	28,398.19	(468.23)	-	-	28,866.42

53. The company has made investments in Subsidiary Companies as detailed below:

Name	Country of Incorporation	Percentage of holding as at March 31, 2020	Percentage of holding as at March 31, 2019
SR Continental Limited	India	100%	100%
Somany Bathware Limited	India	100%	100%
Amora Tiles Private Limited	India	51%	51%
Somany Fine Vitrified Private Limited	India	51%	51%
Somany Sanitaryware Private Limited	India	51%	51%
Somany Excel Vitrified Private Limited	India	100%	100%
Vintage Tiles Private Limited	India	50%	50%
Commander Vitrified Private Limited *	India	-	-
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited #	India	60%	60%
Amora Ceramics Private Limited	India	51%	51%
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited) (w.e.f. May 1, 2018)	India	51%	51%

* the company has divest in the subsidiary w.e.f July 1, 2018.

The company has increased their investment from 51% to 60% w.e.f. May 1, 2018.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

54. Transition to Ind AS 116

The Company has adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and using modified retrospective approach, accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this standard on opening balance of retained earnings as on April 1, 2019.

(A) The Company recognised ROU assets for the following asset categories:-

ROU Asset Category	(₹ In Lakhs)	
	As at April 1, 2019	
Lease Hold Land		339.94
Buildings		3,693.87

(B) The operating cash flows for the year ended March 31, 2020 has increased by ₹877.52 lakhs and the financing cash flows have decreased by ₹877.52 lakhs as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

(C) The Company incurred ₹155.99 lakhs for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets.

(D) Practical expedients applied on initial application date i.e. April 1, 2019

- (i) The Company has not reassessed whether a contract, is or contains a lease at the date of initial application.
- (ii) The Company has utilised exemption provided for short term leases and leases for which the underlying asset is of low value on a lease-by-lease basis.
- (iii) Initial direct costs are excluded from measuring the right-of-use asset at the date of initial application.
- (iv) The Company used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- (v) The Company has relied on it's assessment of whether leases are onerous.
- (vi) The weighted average of company's incremental borrowing rate applied to lease liabilities at date of initial application i.e. April 1, 2019 was 8.75%.
- (vii) The Company has carried forward the amount of the finance lease assets (reclassified as ROU).
- (viii) The Company has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as the date of initial application.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

The Company has recognised rent income under the head of other income as follows:

	(Amount in ₹ Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent received during the year	9.51	1.98

55. As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹198.42 Lakhs (Previous Year ₹216.72 Lakhs). During the year ended March 31, 2020, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹201.16 Lakhs (Previous year ₹216.72 Lakhs).

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

56. Business Combination

The National Company Law Tribunal Kolkata bench, (NCLT) vide order dated September 4, 2019 sanctioned the Scheme of Amalgamation of Bhilwara Holdings Limited, Sarvottam Vanijya Limited and Scope Vinimoy Private Limited (Amalgamating Companies) engaged in the business of investment activity, with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. April 1, 2018. The Scheme became effective on September 25, 2019.

The accounting effect of this Amalgamation to in the financial statements has been given as under:-

- In terms of the said scheme, authorised capital of the company has been increased by ₹230 Lakhs (1,15,00,000 equity shares of ₹2 each) on merger of authorised share capital of amalgamating companies.
- In terms of the said Scheme, 1(ONE) fully paid-up equity share of ₹2/- each of Amalgated Company has been issued and allotted to the Shareholders of the Amalgamating Companies in proportion of their respective shareholdings in the Amalgamating Companies for every 1(ONE) fully paid up equity share of ₹2/- each held by the Amalgamating companies in Amalgamated Company. The amalgamation being a common control transaction has been accounted for under the 'Pooling of interest' method as prescribed by Ind AS 103 on Business Combinations.
- The share capital of the Amalgamating Company as on the Appointed Date shall stand cancelled.
- The Amalgamated Company has recorded all assets and liabilities of the Amalgamating Companies vested in it pursuant to the scheme, at the respective book values thereof, as appearing in the books of account of the Amalgamating Companies immediately before the appointed date.

A summary of the assets, liabilities and reserves incorporated as at appointed date (i.e April 1, 2018) is as follows:

Particular					₹ In Lakhs
		Bhilwara Holdings Limited	Sarvottam Vanijya Limited	Scope Vinimoy Private Limited	TOTAL
a) Summary of Assets, Liabilities and Reserve acquired					
Assets					
Current investments		1.01	0.93	0.97	2.91
Cash and cash equivalents		0.15	0.10	0.20	0.45
Current tax assets		78.41	26.28	13.38	118.07
Total Assets	(x)	79.57	27.31	14.55	121.42
Liabilities					
Other current liabilities		0.15	0.18	0.09	0.43
Current provisions		75.25	26.30	13.40	114.95
Total Liabilities	(y)	75.40	26.48	13.49	115.38
Other Equity					
Capital reserve		15.10	7.80	-	22.90
Amalgamation reserve		122.51	68.75	-	191.27
Securities premium		-	99.96	502.78	602.74
Capital redemption reserve		78.40	-	-	78.40
General reserve		159.92	180.00	-	339.92
Special reserve		351.00	207.01	103.70	661.71
Retained earnings		1,417.61	981.99	426.11	2,825.70
Total Other Equity	(z)	2,144.54	1,545.51	1,032.58	4,722.64
Net Assets, Liabilities and Other equity acquired as at April 1, 2018 (x-y-z)		(2,140.37)	(1,544.69)	(1,031.53)	(4,716.59)

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

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

b) Consideration

Amalgamating Companies hold 1,90,87,200 Equity shares of Amalgamated company which stand cancelled and equal number of Equity Shares 1,90,87,200 of ₹2/- each have been issued to the share holders of the Amalgamating companies in the proportion of their shareholding in the Amalgamating companies.

c) As scheme of amalgamation, given effective from April 1, 2018, accordingly Financial Statements for the year end March 31, 2019 has been restated incorporating the effect of scheme of amalgamation based on special purpose audited financial statements of amalgamating companies for the financial year 2018-19, audited by other auditors.

57. Due to outbreak of Covid-19 globally and in India, the Company had on March 23, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Further, the Company has carried out its initial assessment of the likely adverse impact on economic environment and financial risk because of Covid-19. The Company is in the business of manufacturing and trading of "Ceramics tiles and Allied Products", which are connected with the construction activities that are in a way fundamental to the Indian economy. Although, there is significant impact, on account of demand destruction, in the short term, however, management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. These estimates are subject to uncertainty and may be affected by the severity and duration of pandemic. The Company is continuously monitoring any material change in future economic conditions.

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

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary