

# VENNAR CERAMICS LIMITED

## BALANCE SHEET AS AT 31st March, 2016

	NOTE	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	2	1,500.00	1,500.00
Reserves and Surplus	3	1,426.65	1,265.98
		2,926.65	2,765.98
<b><u>Non-current Liabilities</u></b>			
Long-term borrowings	4	2,379.27	3,016.01
Deferred tax liabilities	5	429.62	349.08
Long-term provisions	6	24.51	17.47
		2,833.40	3,382.56
<b><u>Current liabilities</u></b>			
Short-term Borrowings	7	980.32	536.42
Trade payables	8	653.12	643.32
Other current liabilities	9	905.27	1,004.08
Short-term provisions	10	48.26	129.07
		2,586.97	2,312.89
<b>TOTAL</b>		<b>8,347.02</b>	<b>8,461.43</b>
<b><u>ASSETS</u></b>			
<b><u>Non-current Assets</u></b>			
Fixed assets			
Tangible assets	11	5,799.21	6,051.93
Intangible assets	12	10.88	12.49
Capital Work-in-Progress		0.00	0.00
Long-term loans and advances	13	127.50	68.45
		5,937.59	6,132.87
<b><u>Current Assets</u></b>			
Inventories	14	1,690.94	1,619.18
Trade receivables	15	138.70	114.63
Cash and bank balances	16	18.46	43.04
Short term Loans & advances	17	561.31	551.71
		2,409.41	2,328.56
<b>TOTAL</b>		<b>8,347.02</b>	<b>8,461.43</b>

**Significant Accounting Policies** 1

The accompanying Notes 1 to 43 form an integral part of these financial statements.

As per our report of even date attached.

For M. Bhaskara Rao & Co.  
Chartered Accountants.

V Raghunandan  
Partner.  
M.No.26255

PLACE : Hyderabad  
DATE : 25.04.2016



For and on behalf of the Board

P. V. R. L. N. Raju  
Director



Arun Kumar Bagla  
Director

# VENNAR CERAMICS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2016

	NOTE	YEAR ENDED 31.03.2016 Rs.in Lakhs	YEAR ENDED 31.03.2015 Rs.in Lakhs
<b>Revenue:</b>			
Revenue from operations	19	7,994.85	8,233.63
Less: Excise Duty		1,342.15	1,262.47
		6,652.70	6,971.16
Other Income	20	58.07	58.65
<b>Total Revenue</b>		6,710.77	7,029.81
<b>Expenses:</b>			
Cost of Materials Consumed	21	2,400.19	2,510.39
Changes in Inventories	22	0.50	-531.94
Employee benefits Expense	23	531.61	497.31
Finance costs	24	453.15	675.97
Depreciation and amortization expense	11	451.92	361.86
Other Expenses	25	2,632.19	2,871.11
<b>Total expenses</b>		6,469.56	6,384.70
<b>Profit before exceptional and extraordinary items &amp; tax</b>		241.21	645.10
Exceptional/Extraordinary items		0.00	0.00
<b>Profit before tax</b>		241.21	645.10
<b>Tax expense:</b>			
Current tax			
Current year		48.26	129.07
Mat Credit Entitlement		-48.26	-129.07
Deferred tax		80.54	224.93
<b>Profit for the Year</b>		160.67	420.17
Basic/Diluted Earnings per equity share (Rs)		1.07	2.80

**Significant Accounting Policies**

1

The accompanying Notes 1 to 43 form an integral part of these financial statements.

As per our report of even date attached.

For M. Bhaskara Rao & Co.,  
Chartered Accountants.

V Raghunandan  
Partner.  
M.No.026255

Place : Hyderabad  
Date : 25.04.2016

For and on behalf of the Board

P V R L N Raju  
Director

Arun Kumar Bagla  
Director



## VENNAR CERAMICS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

	Year ended 31.03.2016 Rs in Lakhs	Year ended 31.03.2015 Rs in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	241.21	645.10
Adjusted for :		
Depreciation	451.92	361.86
Finance cost	453.15	675.97
Provision for Gratuity	7.04	7.33
	<b>912.11</b>	<b>1,045.16</b>
<b>Operating Profit before Working Capital Changes</b>	<b>1,153.32</b>	<b>1,690.27</b>
Adjusted for :		
Trade & Other Receivables	-92.72	1,061.92
Inventories	-71.76	-667.73
Trade Payables & Other Current Liabilities	-126.39	400.85
	<b>-290.87</b>	<b>795.04</b>
<b>Cash Generated from Operations</b>	<b>862.45</b>	<b>2,485.31</b>
Direct Taxes Paid	-43.43	-43.43
Cash Flow before Extraordinary Items	0.00	0.00
Extraordinary items	0.00	-43.43
	<b>-43.43</b>	<b>-43.43</b>
<b>Net Cash from operating activities</b>	<b>819.02</b>	<b>2,441.88</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-197.59	-259.28
Sale of Fixed Assets	0.00	0.00
<b>Net Cash used in Investing Activities</b>	<b>-197.59</b>	<b>-259.28</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	0.00	0.00
Proceeds from Issue of Share Premium	0.00	0.00
Proceeds from Long Term Borrowings	-636.74	-863.34
Proceeds from Short Term Borrowings	443.90	-619.75
Interest Paid	-453.15	-675.97
	<b>-645.99</b>	<b>-2,159.06</b>
<b>Net increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-24.58</b>	<b>23.54</b>
Cash and Cash Equivalents as on 1.4.2015	43.04	19.49
Cash and Cash Equivalents as on 31.3.2016	<b>18.46</b>	<b>43.04</b>

As per our report of even date attached.

For M.Bhaskara Rao & Co.,  
Chartered Accountants.

V Raghunandan  
Partner.  
M.No.026255



For and on behalf of the Board

P. V. R. L. N. Raju  
Director

Arun Kumar Bagla  
Director



Place : Hyderabad  
Date : 25.04.2016

# VENNAR CERAMICS LIMITED

## NOTES ON ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of Presentation:

The Company prepares its financial statements in accordance with applicable accounting standards and generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 2013.

#### II. Use of Estimates:

The preparation of financial statements in conformity with the GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of incomes and expenses during the reporting year. Such estimates include, estimate of useful life of fixed assets, provision for doubtful debts etc. Actual results could differ from those estimates. Changes in estimates are reflected in financial statements in the year in which changes are made and, if material, their effects are disclosed in the financial statements.

#### III. Income and Expenditure:

Accounting of Income & Expenditure is done on accrual basis.

#### IV. Tangible, Intangible Assets & Depreciation:

- a) Fixed assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction/installation. CENVAT/ VAT credit availed on capital equipment is accounted for by credit to respective fixed assets.
- b) In case of assets acquired out of foreign currency loans, the increase/decrease in liability on account of fluctuation in exchange rates has been charged to Statement of Profit & Loss.
- c) Pursuant to the enactment of the Companies Act 2013 (the 'Act') the company has, effective 1st April 2014, reviewed and revised the estimated useful life of its fixed assets in accordance with the provisions of the schedule II of the Act.
- d) Intangible Assets are amortized on straight line method

#### V. Inventories:

Inventories are valued at lower of cost or estimated realizable value:

- a) Stores and Spares - at cost
- b) Raw Materials - at cost
- c) Work-in-Process - at cost



- d) Finished Goods - at cost .
- e) Stock in trade - at cost.
- f) Material in Transit – at cost.

Cost is worked based on weighted average method except Finished Goods. Finished Goods cost is worked based on FIFO method.

VI. **Excise & Custom Duty:**

- a) Custom Duty is accounted for at the time receipt of goods in custom warehouse.
- b) CENVAT Credit, to the extent availed, is adjusted towards cost of materials.

VII. **Revenue:**

- a) Sales are inclusive of excise duty and after deducting VAT and discounts.
- b) Revenue is recognized to the extent it is probable that economic benefits will flow to the company and the revenue can be reliably measured.
- c) Sales are recognized at the point of dispatch of finished goods.

VIII. **Foreign Currency Transactions:**

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates, except in cases covered by forward exchange contracts.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

IX. **Export Benefits**

Export Benefits in respect of unutilized Advance Licences under DEPB Scheme are accounted for in the year of Export to the extent of duty leviable on imports to be made in future. The consumption of Raw Material, Stores and other inputs and the valuation of closing stock are stated net of such export benefits.

X. **Employee Benefits:**

Provision for gratuity is made on the basis of an actuarial valuation at the Balance sheet date carried out by Independent actuary as per AS-15

XI. **Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not



recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

XII. Unless specifically stated to be otherwise, these policies are consistently followed.

XIII. **Taxes on Income:**

**Current Tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year under the Income Tax Act, 1961.

**Deferred Tax**

Deferred Income Taxes (AS 22 on Accounting for taxes on income) are recognized for the future tax consequences attributable to timing differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax and liabilities of change in tax rates will be recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**Minimum Alternate Tax (MAT) Credit entitlement**

MAT credit entitlement represents the amounts paid in a year under Section 115JA / 115JB of the Income Tax Act 1961 ('IT Act') which is in excess of the tax payable, computed on the basis of normal provisions of the IT Act.

Such excess amount can be carried forward for set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit entitlement", in the balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

Such assets are reviewed at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.



# VENNAR CERAMICS LIMITED

2. <u>SHARE CAPITAL</u>	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
<b>Equity Share Capital Authorised</b>		
1,50,00,000 Equity Shares of par value of Rs. 10/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed &amp; Paid up</b>		
1,50,00,000 Equity Shares of par value of Rs. 10/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>

a) The Company has not issued shares during the year.

b)

The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) Following are the details of shares held by holding company:

Name of Shareholder	2015-16		2014-15	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Kajaria Ceramics Ltd, Holding Company	76,50,000	51.00%	76,50,000	51.00%

d) Following Shareholders hold equity shares more than 5% of the total equity shares of the company at the

Name of Shareholder	2015-16		2014-15	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Kajaria Ceramics Ltd, Holding Company	76,50,000	51.00%	76,50,000	51.00%
Anjani Vishnu Holdings Ltd	73,49,994	49.00%	73,49,994	49.00%

3. <u>RESERVES AND SURPLUS</u>	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
<b>Securities Premium Account</b> As per last balance sheet	600.00	600.00
<b>Surplus</b> As per last balance sheet	665.99	245.81
Add: Net Profit after Tax transferred from Statement of Profit & Loss	160.67	420.17
	<b>1,426.65</b>	<b>1,265.99</b>

4. <u>LONG-TERM BORROWINGS</u>	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
<b>A. <u>TERM LOANS</u></b>		
From Banks -Secured	1,350.48	1,984.00
Car Loans from Banks - Secured	3.79	7.01
From Other Parties - Un Secured	1,025.00	1,025.00
	<b>2,379.27</b>	<b>3,016.01</b>

**NOTES :**

- Term loans from financial institutions & Banks are secured by 1st charge on immoveable and moveable assets (present and future) of the company situated at Vishnupuram, Perikigudem Village, Mandavalli Mandal with the charges created in favour of participating Federal bank and further guaranteed by M/s Kajaria Ceramics Ltd & M/s Anjani Vishnu Holdings Ltd on the ratio of 51:49%.



2 Loan from others parties are unsecured. The details are as follows

**PARTICULARS** **Rs in Lakhs** **Rate of Interest**

M/s Kajaria Ceramics Ltd	522.00	9%
M/s Anjani Vishnu Holdings Ltd	503.00	9%

**Total** **1,025.00**

3 There has been no continuing default on the balance sheet date in repayment of loan and interest.

4 The details repayment of Term Loans are as under:

Bank / Institution	Total loan availed	Repayment Schedule		
		Number of Installments	Frequency	Commencing Year
The Federal bank Ltd	2200,00,000	18	Quarterly	Oct'14
The Federal bank Ltd	418,00,000	22	Quarterly	Nov'14
<b>Total</b>	<b>2618,00,000</b>			

Rate of Interest -10.13% p.a.

5. <u>DEFERRED TAX LIABILITY</u>	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
	Opening Balance	349.08
Add : Additional adjustment for current year	80.54	224.93
	<b>429.62</b>	<b>349.08</b>

6. <u>LONG TERM PROVISIONS</u>	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
	Opening Balance	17.47
Add : Additions during the year	7.04	7.33
Closing Balance	<b>24.51</b>	<b>17.47</b>
<b>Total</b>	<b>24.51</b>	<b>17.47</b>

7. <u>SHORT-TERM BORROWINGS</u>	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
	<u>LOANS REPAYABLE ON DEMAND</u>	
Working Capital Facilities		
- From Banks		
Secured	980.32	536.42
Short Term Loans & Advances		
- From Companies	0.00	0.00
<b>Total</b>	<b>980.32</b>	<b>536.42</b>

Working Capital Facilities from Banks are secured by 1st charge on inventories and book debts and second charge on immoveable and movable assets of the Company with Federal Bank and further guaranteed by M/s Kajaria Ceramics Ltd & M/s Anjani Vishnu Holdings Ltd in the ratio of 51:49.

There has been no defaults in repayment of any of the loans or interest thereon as at the end of the year.

8. <u>TRADE PAYABLES</u>	AS AT 31.03.2016 Rs.in Lakhs	AS AT 31.03.2015 Rs.in Lakhs
	Trade Payables - Micro, Small & Medium Enterprises	0.00
- Others	653.12	643.32
	<b>653.12</b>	<b>643.32</b>





Note No: 11 Fixed Assets

Rs in Lakhs

Sr. No	Particulars	Gross Block			Accumulated Depreciation / Amortisation			Net Block		
		Balance as at 1 April 2015	Additions	Sales / adjustments	Balance as at 31 Mar 2016	as at 1st April 2015	for the Period	Sales / adjustments	Balance as at 31 Mar 2016	Balance as at 31 March 2015
<b>Tangible Assets</b>										
1	Land & Land Development	524.53	8.04	-	532.57	-	-	-	532.57	524.53
2	Factory Buildings	1,639.87	13.59	-	1,653.46	154.03	51.47	205.50	1,447.96	1,485.84
3	Non-Factory Buildings	216.35	-	-	216.35	11.60	3.37	14.97	201.38	204.75
4	Plant and Machinery	4,185.39	167.33	-	4,352.71	551.31	318.39	869.70	3,483.01	3,634.07
5	Furnitures & Fixtures	15.32	-	-	15.32	2.99	1.60	4.59	10.73	12.33
6	Electrical & Office Equipment	265.69	8.41	-	274.10	96.71	69.01	165.72	108.38	168.98
7	Computer Equipment	22.62	0.26	-	22.88	17.26	4.28	21.54	1.34	5.36
8	Vehicles	18.63	-	-	18.63	2.56	2.21	4.77	13.86	16.08
<b>SUB TOTAL</b>		6,888.41	197.62	-	7,086.03	836.47	450.32	#####	5,799.24	6,051.94
<b>Total (Current Year)</b>		6,888.41	197.62	-	7,086.03	836.47	450.32	#####	5,799.24	6,051.94
<b>Total (Previous Year)</b>										

Note No: 12 Fixed Assets

Rs in Lakhs

Sr. No	Particulars	Gross Block			Accumulated Depreciation / Amortisation			Net Block		
		Balance as at 1 April 2015	Additions	Sales / adjustments	Balance as at 31 Mar 2016	as at 1st April 2015	for the Period	Sales / adjustments	Balance as at 31 Mar 2016	Balance as at 31 March 2015
1	Intangible Assets Software	23.51	-	-	23.51	11.02	1.61	12.63	10.88	12.49

6,911.92

197.62

-

7,109.54

847.49

451.93

1,299.42

5,810.12

6,064.43



9. <u>OTHER CURRENT LIABILITIES</u>	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
Current Maturities of Long Term Debts	637.22	637.22
Provision for expenses	49.77	139.62
Statutory Dues Payable	218.28	227.24
Advance from Customers	0.00	0.00
<b>TOTAL</b>	<b>905.27</b>	<b>1,004.08</b>

10. <u>SHORT TERM PROVISIONS</u>	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
<u>Others</u>		
Provision for Income Taxes	48.26	129.07
<b>TOTAL</b>	<b>48.26</b>	<b>129.07</b>

13. <u>LONG TERM LOANS AND ADVANCES</u>	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
(Unsecured Considered good, unless otherwise stated)		
<b>SECURITY DEPOSITS</b>	<b>127.50</b>	<b>68.45</b>
<b>Total</b>	<b>127.50</b>	<b>68.45</b>

14. <u>INVENTORIES</u> (As certified by the Management)	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
Raw Materials	356.40	294.54
Work-in-Process	45.43	47.46
Finished Goods	957.58	956.05
Stores and Spares	331.53	321.13
	<b>1,690.94</b>	<b>1,619.18</b>

15. <u>TRADE RECEIVABLES</u>	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
(Unsecured Considered good unless otherwise stated)		
a) <u>Not exceeding six months</u>		
- Considered Good	138.70	114.63
	<b>138.70</b>	<b>114.63</b>

16. <u>CASH AND BANK BALANCES</u>	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
<b>Cash &amp; Cash Equivalents</b>		
Balance with Banks		
- in current and deposit accounts	5.60	1.83
Cash on hand	7.02	3.25
	<b>12.62</b>	<b>5.08</b>
Other Bank Balances		
Margin money	5.84	37.96
	<b>18.46</b>	<b>43.04</b>
<i>Balances with banks held as margin money deposits against guarantees</i>	<b>5.84</b>	<b>37.96</b>



17. <u>SHORT TERM LOANS AND ADVANCES</u>	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
(Unsecured Considered good unless otherwise stated)		
Advance to Suppliers	201.68	177.81
Balance With Excise Authorities	13.74	12.54
Prepaid Expenses	11.08	11.34
Income Tax Advances	334.81	350.02
	<b>561.31</b>	<b>551.71</b>

18. <u>REVENUE FROM OPERATIONS</u>	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
<b>Sale of Products</b>		
Tiles	7,814.35	7,965.12
Other Operating Revenue	180.50	268.51
	<b>7,994.85</b>	<b>8,233.63</b>

19. <u>OTHER INCOME</u>	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
Miscellaneous Income	48.11	49.83
Rent Received	6.00	6.00
Sundry Balances Written back	0.15	0.00
Interest Received	3.81	2.82
	<b>58.07</b>	<b>58.65</b>

20. <u>COST OF MATERIAL CONSUMED</u>	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
<b>Raw Material &amp; Packing Material Consumed</b>		
Body Material	1,826.89	1,985.88
Packing Material	573.30	524.51
	<b>2,400.19</b>	<b>2,510.39</b>

21. <u>CHANGES IN INVENTORIES</u>	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
<u>Stock as on 1.4.2015</u>		
Work-in-process	47.46	62.92
Finished Goods	956.05	408.65
	<b>1,003.51</b>	<b>471.57</b>
'A'		
<u>Stock as on 31.03.2016</u>		
Work-in-process	45.43	47.46
Finished Goods	957.58	956.05
	<b>1,003.01</b>	<b>1,003.51</b>
'B'		
A-B	<b>0.50</b>	<b>(531.94)</b>



22. <u>EMPLOYEE BENEFITS EXPENSE</u>	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
Salaries and wages	470.13	444.59
Contribution to provident and other funds	28.60	27.12
Staff welfare expenses	32.88	25.61
	<b>531.61</b>	<b>497.31</b>

23. <u>FINANCE COSTS</u>	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
Interest on:		
Term loans	248.76	340.71
Others	203.18	294.70
Other Borrowing cost	1.21	40.56
	<b>453.15</b>	<b>675.97</b>

24. <u>OTHER EXPENSES</u>	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	Rs.in Lakhs	Rs.in Lakhs
<b><u>Other Manufacturing Expenses</u></b>		
Stores and Spares Consumed	234.76	239.67
Power and Fuel	1,790.74	1,748.91
Others	266.54	240.90
Excise duty on stocks	9.41	178.25
	<b>2,301.45</b>	<b>2,407.73</b>
<b><u>Repairs &amp; maintenance</u></b>		
- Building	12.38	2.03
- Machinery	92.61	86.60
- Others	6.42	10.23
	<b>111.41</b>	<b>98.86</b>
<b><u>Administrative Expenses</u></b>		
Printing , Stationery & EDP Expenses	5.69	5.98
Rent, Rates & Taxes	30.47	17.61
Vehicle Expenses	3.74	3.30
Communication Expenses	6.63	5.69
Traveling & Conveyance Expenses	22.69	24.50
Insurance Charges	10.88	11.52
Legal & Professional Charges	6.15	5.60
<b><u>Auditors' Remuneration :</u></b>		
- As Audit Fees	1.00	1.00
Office Expenses	24.13	7.79
Electricity & Water Charges	2.46	0.00
Foreign Technician Expenses	0.00	0.00
Bank Charges	2.26	2.14
Security Charges	20.10	
	<b>116.11</b>	<b>85.13</b>
<b><u>Selling &amp; Distribution Expenses</u></b>		
Packing Freight & Forwarding Expenses	0.00	2.67
Advertisement, Publicity & Sales Promotion	0.00	0.25
Management Fee	103.22	276.47
	<b>103.22</b>	<b>279.39</b>
	<b>2,632.19</b>	<b>2,871.11</b>



**VENNAR CERAMICS LIMITED**  
**OTHER NOTES ON ACCOUNTS**

		AS AT 31.03.2016 (Rs. Lakhs)	AS AT 31.03.2015 (Rs. Lakhs)
25.	<b>CONTINGENT LIABILITIES</b>	Nil	Nil
26.	<b>COMMITMENTS</b>	Nil	Nil

**27. Particulars of Sales & Stocks**

		Value (Rs. In Lakhs)	
		Year Ended 31.03.2016	Year Ended 31.03.2015
a)	<b>Opening Stock</b>		
	Tiles	956.05	408.65
b)	<b>Production</b>		
	Tiles	6469.56	6320.14
c)	<b>Sales</b>		
	Tiles (Manufactured)	6652.70	6971.16
d)	<b>Closing Stock</b>		
	Tiles	957.58	956.05
28.	<b>Value of Imports on CIF basis:</b>	Y.E. 31.03.2016 (Rs. In Lakhs)	Y.E. 31.03.2015 (Rs. In Lakhs )
	• Capital Goods	71.53	96.95
	• Raw Materials	22.44	25.50
	• Spares and Consumables	111.19	85.44

29.	<b>Expenditure in Foreign Currency (on accrual basis) :</b>		
	a) Interest on FC Loan		
	b) Commission of Export Sales		
	c) Others including travel etc.	1.96	3.21

30.	<b>Earnings in Foreign Currency :</b>	2015-16 (Rs in Lakhs) Nil	2014-15 (Rs in Lakhs) Nil
-----	---------------------------------------	------------------------------------	---------------------------------



31.	Value of imported and indigenous raw material consumed and the percentage of each to total consumption:	%	<b>2015-16</b> <u>(Rs. in Lakhs)</u>	%	<b>2014-15</b> <u>(Rs.in Lakhs)</u>
	Imported	<b>0.94%</b>	<b>22.44</b>	<b>1.02%</b>	<b>25.50</b>
	Indigenous	<b>99.06%</b>	<b>2377.75</b>	<b>98.98%</b>	<b>2484.89</b>

32.	<b>Dues to Small, Micro &amp; Medium Enterprises #:</b>	<b>2015-16</b> <u>(Rs in Lakhs)</u>	<b>2014-15</b> <u>(Rs in Lakhs)</u>
	1. Principal amount outstanding	<b>0.00</b>	0.00
	2. Interest due on (1) above and the unpaid interest	<b>0.00</b>	0.00
	3. Interest paid on all delayed payments under MSMED Act	<b>0.00</b>	0.00
	4. Payment made beyond the appointed date during the year	<b>0.00</b>	0.00
	5. Interest due and payable for the period of delay other than (3) above	<b>0.00</b>	0.00
	6. Interest accrued and remaining unpaid	<b>0.00</b>	0.00
	7. Amount of further interest remaining due and payable in succeeding years	<b>0.00</b>	0.00

# The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

33. Balances of certain debtors, creditors, loans and advances are subject to confirmation.
34. In the opinion of the Management current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.
35. The company has made provision for Rs7.04 Lakhs towards Gratuity to employees during the year on the accrual basis as per AS 15.

**DISCLOSURE: (31.03.2016)**

<b>Profit &amp; Loss Account</b>	
	<b>2015-2016</b>
Current Service Cost	3,16,816
Interest Cost on benefit obligation	1,39,755
Expected return on plan assets	
Net Actuarial (gain). Loss recognized in the year	2,47,359
past services cost	
Net Benefit expense	7,03,930



Actual return on plan assets	
<b>Balance Sheet</b>	
a	
<b>Details of provision for Gratuity</b>	
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	17,46,943
Interest cost	1,39,755
Current services cost	3,16,816
Benefits paid	Nil
Actuarial (gains)/losses on obligation	2,47,359
closing defined benefit obligation	24,50,873
The principal assumptions used in determining gratuity and post employment medical benefit obligations for the company's plans are shown below:	
<b>Assumptions</b>	<b>%</b>
Salary Rise	6
Discount rate	8
Attrition Rate	5
Av Balance Service	23.85Years

36. Tax Expense is the aggregate of current year income tax and deferred tax charged to the Profit and Loss Account for the year.

a) Current Year Charge:

Income Tax provision of Rs.48.26 Lakhs has been made as per MAT.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. The Company review the same at each Balance Sheet date and writes down the carrying amount of MAT Credit

b) Deferred Tax

The Company estimates the deferred tax charge using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The movement of provision for deferred tax is given below:



Particulars	Opening as at 1.4.2015 (Rs. In Lakhs)	Charge/(credit) during the year (Rs. In Lakhs)	Closing as at 31.3.2016 (Rs. In Lakhs)
Depreciation	414.98	44.93	459.91
Carry forward Losses	(60.23)	32.22	(28.01)
Disallowance as per 43B	(5.67)	3.38	(2.27)
Net Deferred Tax Liability	<b>349.08</b>	<b>80.53</b>	<b>429.61</b>

37. **Related Party Disclosures:**

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

A. **Relationships**

- (i) Holding Company : M/s Kajaria Ceramics Ltd  
(ii) Associate Company : M/s Anjani Vishnu Holdings Ltd  
(iii) Mr. C.V.K.Raju : Key Managerial Personnel

B. The following transactions were carried out with related parties in the ordinary course of business:-

Related Party Transactions	(Rs. in Lakhs)		
	Holding Co	Associate Co	Key Managerial Personnel
Purchase of Goods & Services	-	-	-
	(-)	(-)	(-)
Purchase of Fixed Assets	-	-	-
	(-)	(-)	(-)
Sale of Goods ( Net )	6484.02	-	-
	(6719.57)	(-)	(-)
Rent Received	6.00	-	-
	(6.00)	(-)	(-)
Interest Paid	46.98	45.27	-
	(102.07)	(45.27)	(-)
Management Fee	-	103.22	-
	(-)	(276.47)	(-)
Remuneration	-	-	38.70
	(-)	(-)	(36.53)
Loan Repaid	-	-	-
	(300.00)	(-)	(-)
Corporate Guarantee Obtained	2121.60	2038.40	-
	(2121.60)	(2038.40)	(-)

(Figures in brackets are for previous year)





38. **Segmental Reporting:**

The business activity of the company falls within one broad business segment viz "Ceramic Tiles" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in AS-17 of The Institute of Chartered Accountants of India. Hence the disclosure requirement of Accounting Standard 17 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

39. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earning per share:

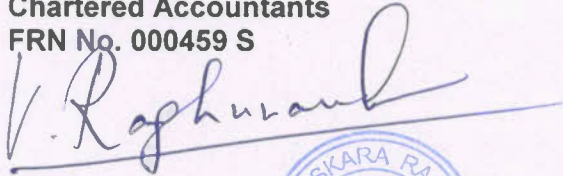
	Year ended 31.03.2016	Year ended 31.03.2015
Profit attributable to the Equity Shareholders – (A) (Rs in Lakhs)	160.67	420.17
Basic /Weighted average number of Equity Shares outstanding during the year (B)	1,50,00,000	1,50,00,000
Nominal value of Equity Shares (Rs)	10.00	10.00
Basic/Diluted Earnings per share (Rs) – (A)/(B)	1.07	2.80

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

As per reports of even date attached

For and On Behalf of the Board

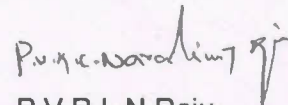
for **M. Bhaskara Rao & Co**  
**Chartered Accountants**  
FRN No. 000459 S

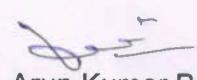


V. Raghunandan  
Partner  
M.No.026255



Place : Hyderabad  
Dated : 25.04.2016

  
P V R L N Raju  
Director

  
Arun Kumar Bagla  
Director

