



**P RAVINDRA VARMA**

Chartered Accountant

Membership No. 215631

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF KAJARIA FLOERA CERAMICS PRIVATE LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **Kajaria Floera Ceramics Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.





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Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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





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- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.





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

Date: 18.04.2019  
Place: Thatiparthi



For **P RAVINDRA VARMA**  
Chartered Accountants

*P Ravindra Varma*  
**P RAVINDRA VARMA**  
Proprietor  
Membership No.215631



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **KAJARIA FLOERA CERAMICS PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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





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Chartered Accountant

Membership No. 215631

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 18.04.2019

Place: Thatiparthi



For **P RAVINDRA VARMA**

Chartered Accountants

*P Ravindra Varma*  
**P RAVINDRA VARMA**

Proprietor

Membership No. 215631



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kajaria Floera Ceramics Private Limited of even date)**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.





- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) As per the information given by the company there were no dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.





**P RAVINDRA VARMA**

Chartered Accountant

Membership No. 215631

- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 18.04.2019  
Place: Thatiparthi



For **P RAVINDRA VARMA**  
Chartered Accountants

*P. Ravindra Varma*

**P RAVINDRA VARMA**

Proprietor

Membership No. 215631

**KAJARIA FLOERA CERAMICS PVT. LTD.**

**BALANCE SHEET FOR 31 March 2019**

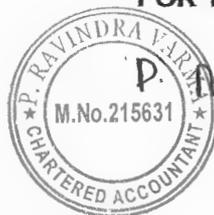
(Amount in Rupees Lakhs, unless otherwise stated)

		As at 31 March 2019	As at 31st March 2018
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
Property, plant and equipment	3	909.62	904.36
Capital work-in-progress	3	9,301.42	1,080.64
Other Intangible assets	4	-	-
Financial assets			
(i) Investments		-	-
(ii) Loans & Advances	5	-	-
Other non-current assets		-	-
<b>(2) Current assets</b>			
Inventories	6	-	-
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	7	-	-
(iii) Cash and cash equivalents	8	118.50	77.12
(iv) Other bank balances		-	-
(iv) Loans & Advances	5	547.88	389.11
(v) Others financial assets	5	-	-
Other current assets	5	932.21	10.14
<b>Total Assets</b>		<b>11,809.62</b>	<b>2,461.38</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	9	1,000.00	1,000.00
Other Equity	10	-	63.62
Reserves and Surplus		48.39	-48.51
<b>(2) LIABILITIES</b>			
<b>(a) Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	11	7,841.77	1,400.00
(ii) Other financial liabilities	12	-	-
Deferred tax liabilities (Net)	24	-	-
<b>(b) Current liabilities</b>			
Financial liabilities			
(i) Borrowings	11	-	-
(ii) Trade Payable	12	-	-
(iii) Other financial liabilities	12	2,864.03	22.26
Provisions	13	-	-
Other current liabilities	14	152.20	24.00
<b>Total Equity and Liabilities</b>		<b>11,809.62</b>	<b>2,461.38</b>
<b>Significant accounting policies</b>	<b>1&amp;2</b>		

The accompanying notes form an integral part of these financial statements.

in terms of report of even date annexed

**FOR P RAVINDRA VARMA**  
CHARTERED ACCOUNTANT



P RAVINDRA VARMA  
Chartered Accountant  
M. No. - 215631

**FOR AND ON BEHALF OF THE BOARD**

*[Signature]*  
V Rajini Kumar  
Director

V Rajini Kumar  
Director  
DIN: 03613886

*[Signature]*  
Ramkishan Sharma  
Director

Ramkishan Sharma  
Director  
DIN: 06746188

*[Signature]*  
Archit Jain  
Company Secretary

*[Signature]*  
Vikram Khaitan  
Chief Financial Officer

PLACE :- Thatiparathi  
DATED:- 18/04/2019

**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**Statement of Profit and Loss for 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>I REVENUE</b>			
Revenue from operations	15	-	-
Other income	16	0.12	0.07
<b>Total Revenue (I)</b>		<b>0.12</b>	<b>0.07</b>
<b>II EXPENSES</b>			
Cost of material consumed	17	-	-
Purchases of stock in trade		-	-
Changes in inventories of finished goods, stock-in-trade and work in progress	18	0.00	0.00
Excise duty on sale of goods		-	-
Employee benefits expenses	19	-	-
Finance costs	20	-	0.07
Depreciation and amortization expenses	21	-	-
Other expenses	22	-	-
<b>Total expenses (II)</b>		<b>-</b>	<b>0.07</b>
<b>III Profit before exceptional items and tax from continuing operations (I-II)</b>		<b>0.12</b>	<b>0.00</b>
<b>IV Exceptional Items</b>		<b>-</b>	<b>-</b>
<b>V Profit/(loss) before tax from continuing operations (III-IV)</b>		<b>0.12</b>	<b>0.00</b>
<b>VI Tax expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		0.00	-
<b>VII Profit (Loss) for the Year from continuing operations (V-VI)</b>		<b>0.12</b>	<b>0.00</b>
<b>VIII Other Comprehensive Income</b>			
<b>A Items that will be reclassified to profit or loss</b>		-	-
<b>B Items that will not be reclassified to profit or loss</b>		-	-
<b>Total Comprehensive Income for the Year (IX + X)</b>			
<b>IX (Comprising Profit (Loss) and Other Comprehensive Income for the Year)</b>		<b>0.12</b>	<b>0.00</b>
<b>Earnings per equity share for continuing operations</b>			
(1) Basic, computed on the basis of profit from continuing operations		-	-
(2) Diluted, computed on the basis of profit from continuing operations		-	-
Significant accounting policies		1&2	

The accompanying notes form an integral part of these financial statements.

in terms of report of even date annexed

**FOR P RAVINDRA VARMA**  
 CHARTERED ACCOUNTANT



*P Ravindra Varma*

P RAVINDRA VARMA  
 Chartered Accountant  
 M. No. - 215631

**FOR AND ON BEHALF OF THE BOARD**

*D V Rajini Kumar*

D V Rajini Kumar  
 Director  
 DIN: 03613886

*Ramkishan Sharma*

Ramkishan Sharma  
 Director  
 DIN: 06746188

*Archit Jain*

Archit Jain  
 Company Secretary

*Vikram Khaitan*

Vikram Khaitan  
 Chief Financial Officer

PLACE :- Thatiparthi  
 DATED:- 18/04/2019

## KAJARIA FLOERA CERAMICS PVT. LTD.

## Cash Flow Statement for 31 March 2019

(Amount in Rupees Lakhs, unless otherwise stated)

	Year ended 31.03.2019	Year ended 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	0.12	-
Adjusted for :		
Depreciation	-	-
Interest income	(0.12)	(0.07)
Interest Cost	-	0.07
	(0.12)	(0.00)
<b>Operating Profit before Working Capital Changes</b>	-	(0.00)
Adjusted for :		
Trade & Other Receivables	-	(598.52)
Other bank balance	-	-
Loans & Advances	(158.77)	-
Other assets	(922.07)	(5.95)
Inventories	-	-
Trade Payable	-	21.30
Other financial liabilities	-	20.77
Other liabilities	128.20	-
	(952.64)	(562.40)
<b>Cash Generated from Operations</b>	(952.64)	(562.40)
Direct Taxes Paid	-	-
Exceptional / Extraordinary items	-	-
<b>Net Cash from operating activities</b>	(952.64)	(562.40)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5.25)	(105.04)
Change in Capital work in progress	(8,220.79)	(802.00)
Capital creditors	2,841.77	-
Capital advance	-	-
Investment	-	-
Interest Received	0.12	0.07
Bank deposit	-	-
<b>Net Cash used in Investing Activities</b>	(5,384.14)	(906.98)



<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds/ (Repayment) of Borrowings (Net)	6,441.77		
Current maturities of long term debts	-	1,400.00	
Share capital			
Share application money	(63.62)	63.62	
Interest Paid	-		
Net Cash used in Financing Activities	6,378.15		1,463.62
<b>Net increase in Cash and Cash Equivalents</b>	41.37		(5.76)
Cash and Cash Equivalents as on 1.4.2018	77.12		82.88
Cash and Cash Equivalents as on 31.03.2019	<b>118.50</b>		<b>77.12</b>

**Note to cash flow statement**

1 Components of cash and cash equivalents

Balances with banks

- Current accounts

117.13

76.82

- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)

Cash on hand

1.37

0.30

Other bank balance (earmarked balance with bank)

-

-

**Cash and cash equivalents considered in the cash flow statement**

**118.50**

**77.12**

2 The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in Indian Accounting Standard - 7

Significant accounting policies 1 & 2

The note referred to above forms an integral part of the financial statements

In terms of our report of even date annexed

**FOR P RAVINDRA VARMA**  
CHARTERED ACCOUNTANT



P RAVINDRA VARMA  
Chartered Accountant  
M. No. - 215631

**FOR AND ON BEHALF OF THE BOARD**

*[Signature]*

D V Rajini Kumar  
Director  
DIN: 03613886

*[Signature]*

Ramkishan Sharma  
Director  
DIN: 06746188

*[Signature]*

Archit Jain  
Company Secretary

*[Signature]*

Vikram Khaitan  
Chief Financial Officer

PLACE :- Thatiparthi  
DATED:- 18/04/2019

**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**Statement of Changes in Equity for 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**a Equity share capital**

	31th March 2019	31 March 2018
Issued, subscribed and paid up capital (Refer note 3)		
Opening balance	1,000.00	1,000.00
Changes	-	-
Closing balance	1,000.00	1,000.00

**b Other equity**

Particulars	Reserves and Surplus		Items of OCI	Total equity
	Share premium	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans	
<b>As at 1 April 2017</b>	-	48.51	-	48.51
Additions	-			-
Net income / (loss) for the year	-	0.00	-	0.00
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	0.00	-	0.00
				-
<b>At 31 March 2018</b>	-	48.51	-	48.51
Net income / (loss) for the year	-	0.12	-	0.12
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	0.12	-	0.12
				-
<b>At 31th March 2019</b>	-	48.39	-	48.39

Significant Accounting Policies 1 & 2  
in terms of report of even date annexed

**FOR, P RAVINDRA VARMA**  
**CHARTERED ACCOUNTANTS**



*P Ravindra Varma*

P RAVINDRA VARMA  
M. No 2015631

*Archit Jain*

Archit Jain  
Company Secretary

**FOR AND ON BEHALF OF THE BOARD**

*D V Rajini Kumar*

D V Rajini Kumar  
Director  
DIN: 03613886

*Vikram Khaitan*

Vikram Khaitan  
Chief Financial Officer

*Ramkishan Sharma*

Ramkishan Sharma  
Director  
DIN: 06746188

PLACE :- Thatiparthi  
DATED:- 18/04/2019

**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31th March 2019**

(Amount in Rupees crores, unless otherwise stated)

**Note No. 3 Property, Plant & Equipments**

Particulars	Freehold land	Building	Plant & machinery	Furniture & fixtures	Vehicles	Computers	Capital WIP	Total
<b>Cost or Valuation</b>								
<b>As 31 March 2018</b>	875.30	-	14.21	10.20	0.98	3.67	1,080.64	1,985.00
Additions		-	-	2.82	-	2.43	8,220.79	8,226.04
Disposal	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-
<b>As 31th March 2019</b>	875.30	-	14.21	13.02	0.98	6.10	9,301.42	10,211.04
	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>	-	-	-	-	-	-	-	-
<b>As 31 March 2018</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-
<b>As 31 March 2018</b>	-	-	-	-	-	-	-	-
<b>Net book value</b>	-	-	-	-	-	-	-	-
<b>As 31th March 2019</b>	875.30	-	14.21	13.02	0.98	6.10	9,301.42	10,211.04
<b>As 31 March 2018</b>	875.30	-	14.21	10.20	0.98	3.67	1,080.64	1,985.00

Note : property Plant & equipment refer significant accounting policies note no.2.2 b



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31th March 2019**  
(Amount in Rupees crores, unless otherwise stated)

**Note No. 4 Intangible Assets**

Particulars	Software	Total
<b>Cost or Valuation</b>		
<b>As 31 March 2018</b>	-	-
Additions	-	-
Disposal	-	-
Exchange differences	-	-
<b>As 31th March 2019</b>	-	-
	-	-
<b>Depreciation and impairment</b>	-	-
<b>As 31 March 2018</b>	-	-
Additions	-	-
Disposal	-	-
Exchange differences	-	-
<b>As 31th March 2019</b>	-	-
	-	-
<b>Net book value</b>		
<b>As 31th March 2019</b>	-	-
<b>As 31 March 2018</b>	-	-



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS 31th March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

	Current	
	31 March 2019	31 March 2018
<b>Note No. 5 Loans at amortised cost</b>		
<b>Security deposits</b>		
<b>Secured</b>		
	-	-
<b>Unsecured</b>		
Considered good	-	-
Considered doubtful	-	-
Less: provision for doubtful deposits	-	-
	-	-
<b>Total loans at amortised cost</b>	-	-
<b>Advances recoverable in cash or kind</b>		
<b>Secured</b>		
	-	-
<b>Unsecured</b>		
Considered good	547.88	389.11
Considered doubtful	-	-
Less: provision for doubtful advances	-	-
	547.88	389.11
<b>Total advances recoverable in cash or kind</b>	<b>547.88</b>	<b>389.11</b>
Bank deposits with more than 12 months maturity	-	-
<b>Total loans at amortised cost</b>	547.88	389.11
<b>Others</b>		
Interest Accrued on Term Deposit	-	-
	-	-
	-	-
<b>Note No. 5 Other assets</b>		
<b>Capital advances</b>		
<b>Secured</b>		
Considered good	-	-
Considered doubtful	-	-
Less: provision for doubtful deposits	-	-
	-	-
<b>Unsecured</b>		
Considered good	-	-
Considered doubtful	-	-
Less: provision for doubtful deposits	-	-
	-	-
<b>Total capital advances</b>	-	-
Prepaid expenses	3.43	-
Advance Tax and TDS	2.09	4.19
GST credit receivables	925.48	4.74
Balance with statutory authorities	1.21	1.21
<b>Total.....</b>	<b>932.21</b>	<b>10.14</b>



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS 31th March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No 6 Inventories**

(As taken, valued & certified by the management)

Particulars	31th March 2019	31 March 2018
Raw Materials	-	-
Work-in-Process	-	-
Finished Goods	-	-
Stock In Trade	-	-
Stores and Spares	-	-
	-	-

**Note No 7 Trade receivables**

(unsecured, considered good, unless otherwise stated)

(Average credit period is 30 days)

Particulars	31th March 2019	31 March 2018
Trade receivables - others	-	-
	-	-
Outstanding for a period exceeding six months from the date they are due for payment (i)		
Unsecured, Considered Good	-	-
Doubtful	-	-
	-	-
Less: Provision for doubtful debts	-	-
	-	-
Other receivables (ii)		
Unsecured, Considered Good	-	-
Doubtful	-	-
	-	-
Less: Provision for doubtful debts	-	-
	-	-
Total trade receivables (i)+(ii)	-	-

**Note No. 8 Cash and cash equivalent**

Particulars	31th March 2019	31 March 2018
Balance with banks		
- In current accounts	117.13	76.82
Cash on hand	1.37	0.30
	118.50	77.12

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	31th March 2019	31 March 2018
Balance with banks		
- In current accounts	117.13	76.82
Cash on hand	1.37	0.30
	118.50	77.12

**Financial assets carried at amortised cost**

Particulars	31th March 2019	31 March 2018
Loans	547.88	389.11
Trade receivables	-	-
Other financial assets	-	-



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 9 Equity Share capital**

Particulars	31 March 2019	31 March 2018
<b>a) Authorised Share Capital</b>		
Equity share capital		
10000000 (Sept 30, 2018: 10000000, March 31, 2018 : 10000000) equity shares of Rs. 10 each.	2,500.00	2,500.00
<b>Total</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>b) Issued, subscribed and paid up capital</b>		
Equity share capital		
10000000 (Sept 30, 2018: 10000000, March 31, 2018 : 10000000) equity shares of Rs. 10 each.	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>d) Reconciliation of number of shares outstanding and the amount of share capital Equity share capital</b>		
	<b>Number of shares</b>	
<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Shares outstanding at the beginning of the year	1,00,00,000	1,00,00,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	<b>1,00,00,000</b>	<b>1,00,00,000</b>
	<b>Amount of share capital</b>	
<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Shares outstanding at the beginning of the year	1,000	1,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	<b>1,000</b>	<b>1,000</b>

**e) Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of issued, subscribed and paid up equity shares having a par value of INR 10/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**f) Details of the Shareholders holding more than 5% share in the Company**

Particulars	31-03-2019		31-03-2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of INR each fully paid up				
Kajaria Ceramics Ltd	99,99,900	99.9990%	7000000	70%
M Rama Raju			600000	6%



**KAJARIA FLOERA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No 10 Other Equity**

<b>Particulars</b>	<b>Amount</b>
<b>a) Security premium reserve</b>	
At 01 April 2018	-
At 31 March 2019	-
Changes during the period	-
Closing balance	-
<b>b) Retained earnings</b>	
At 01 April 2018	-48.51
Add: Acquisition during period	-
Profit/(loss) during the period	0.12
At 31 March 2019	-48.39
Profit/(loss) during the period	
Closing balance	<b>-48.39</b>
<b>c) Foreign currency translation reserves</b>	
At 31 March 2019	-
As at 31 March 2018	-
As at 01 April 2017	-
<b>d) Other comprehensive reserves</b>	
At 01 April 2018	-
Profit/(loss) during the period	-
At 31 March 2019	-
Profit/(loss) during the period	-
Closing balance	-
<b>e) Share application money pending allotment</b>	
At 31 March 2019	-
As at 31 March 2018	63.62
As at 01 April 2017	-
<b>f) Non-controlling interest</b>	
At 31 March 2019	-
As at 31 March 2018	-
As at 01 April 2017	-
<b>Total other equity at</b>	
At 31 March 2019	-48.39
As at 31 March 2018	15.11



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Financial Liabilities</b>				

**Note No. 11 Borrowings**

Rupee term loans (secured)				
From banks	-	-		-
Working capital loans (secured)				
From banks		-	-	-
Unsecured loan from related parties	7,841.77	1,400.00	-	-
<b>Total borrowings</b>	7,841.77	1,400.00	-	-

**Notes:**

Type and Nature of Borrowings			Effective interest rate on 31/03/19
	31-Mar-18	31-Mar-19	
<b>Bank Loans</b>	-	-	-
<b>Working capital loans</b>	-	-	-

\* There is no default in repayment of any other

**Note No 12 Creditors Capex**

<b>Sundry Creditors:</b>				
(Average payment period 90 days)				
Dues of Micro, Small and Medium Enterprises		-		
Dues to others		-	-	-
	-	-	-	-

**Others**

Current maturities of long term debts		-	-	-
Amount payable to capital creditors		-	2,864.03	22.26
Compensation payable		-	-	-
	-	-	2,864.03	22.26

**Note No 13 Provisions**

<b>Others</b>				
Provision for:				
Income Taxes	-	-	-	-
	-	-	-	-

**Note No. 14 Other liabilities**

Provision for expenses		-	121.30	16.88
Advance from Customers		-	-	-
Statutory Dues Payable		-	30.90	7.13
	-	-	152.20	24.00

**Financial liabilities carried at amortised cost**

Borrowings	7,841.77	1,400.00
Trade payables	-	-
Other financial liabilities	2,864.03	22.26



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**  
**(Amount in Rupees Lakhs, unless otherwise stated)**

**Note No 15 Revenue from operations**

Particulars	31 March 2019	31 March 2018
Sale of products (including excise duty)		
Sale of Tiles	-	-
Total sale of products	-	-
Other Operating Revenue		
Sundry balances written off	-	0.00
Total other operating income	-	0.00
<b>Total</b>	<b>-</b>	<b>-</b>

**Note No 16 Other Income**

Particulars	31 March 2019	31 March 2018
Other non operating income		
Interest income	0.12	0.07
Gain / (loss) on foreign currency rate difference	-	-
	0.12	0.07

**Note No. 17 Cost of materials consumed**

Particulars	31 March 2019	31 March 2018
Raw Material & Glaze, Frits and Chemicals Consumption	-	-
Packing Material Consumption	-	-
<b>Cost of material consumed</b>	<b>-</b>	<b>-</b>

**Note No. 18 Changes in inventories of finished goods, stock in trade and work in progress**

Particulars	31 March 2019	31 March 2018
Closing stock		
Finished Goods	-	-
Work-in-process	-	-
Less :		
Opening stock		
Finished Goods	-	-
Work-in-process	-	-
(Increase) / decrease		
- Finished goods	0.00	0.00
- Work-in-progress	0.00	0.00
<b>Net (Increase)/decrease in Stock</b>	<b>0.00</b>	<b>0.00</b>



**Note No 19 Employee benefit expense**

Particulars	31 March 2019	31 March 2018
Salary, wages, bonus and allowance	-	-
Contribution to provident fund and other funds	-	-
Staff Welfare expenses	-	-
	-	-

**Note No 20 Finance Cost**

Particulars	31 March 2019	31 March 2018
Interest on debts and borrowings	-	0.07
Applicable Net Gain / (Loss) on Foreign Currency Transactions and Translator	0.00	-
Other Borrowing Cost	-	-
	-	0.07

**Note No 21 Depreciation and amortization expense**

Particulars	31 March 2019	31 March 2018
Depreciation of property, plant and equipment (Note no 3)	-	-
Amortisation of intangible assets (Note no 4)	-	-
	-	-



**Note No 22 Other expenses**

Particulars	31 March 2019	31 March 2018
Consumption of stores, spares and consumables	0.00	-
Packing Freight & Forwarding Expenses	1.88	0.30
Power and fuel	41.29	4.02
Other Manufacturing Expense	0.00	-
Traveling & Conveyance Expenses	63.21	28.33
Insurance	3.48	-
Rates and taxes	0.00	-
Repairs and maintenance:		
- Building	0.00	-
- Machinery	0.00	-
- Computer	0.74	0.26
- Office	7.01	3.43
- Room Maintenance	2.36	1.59
- General Repair & Maintenance	0.71	0.36
Legal and professional charges	0.00	-
Payment to Auditors:	0.00	-
As Auditor:	0.00	-
Audit fees	7.50	2.50
Other Services	2.40	2.40
Advertisement expenses	1.02	0.47
Bank charges	2.94	-
Communication Expense	0.00	-
Printing & Stationary	2.13	0.84
Security Charges	-0.00	0.30
Vehicle Running & Maintenance Expenses	9.68	3.71
Excise duty on closing stock	0.00	-
Rent	14.10	6.84
Miscellaneous expenses	0.01	0.02
Business Promotion Expenses	0.41	0.41
Pooja Expenses	1.33	0.21
Cook Salary/Canteen Expenses	9.49	4.78
Entertainment Expenses	0.38	0.27
Fees & License	0.34	0.34
Internet & Telephone Charges	2.17	0.57
Postage & Courier Expenses	0.14	0.03
Loading & Unloading/Labour Charges	6.16	0.14
Newspaper & Periodicals	2.32	0.02
Round off	0.10	0.00
Retainer fee	0.14	1.95
Staff Welfare Expenses	1.95	
Staff Recruitment exp	0.01	
Conveyance	0.05	5.86
Interest cost to be capitalised	372.01	44.52
Transfer to Unapportioned Capex Overhead	-557.45	-114.45
	<u>0.00</u>	<u>-</u>



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 23 Earning per share**

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

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

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

Particulars	31 March 2019	31 March 2018
<b>Profit attributable to equity holders of the Company:</b>		
Continuing operations	0.12	0.00
Discontinued operations	-	-
<b>Profit attributable to equity holders for basic earnings</b>	<b>0.12</b>	<b>0.00</b>
Dilution effect		-
<b>Profit attributable to equity holders adjusted for dilution effect</b>	<b>0.12</b>	<b>0.00</b>
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	-	-
	-	-

\* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

**Earning Per Share - Continuing operations**

Basic	-	-
Diluted	-	-
<b>Face value per share (Rs)</b>	<b>10.00</b>	<b>10.00</b>



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 24 Tax Reconciliation**

**(a) Income tax expense:**

The major components of income tax expenses for December 31, 2018 and March 31, 2019 are as follows:

**(i) Profit or loss section**

Particulars	31-03-2019	31-03-2018
Current tax expense	-	-
Deferred tax expense	0.00	0.00
<b>Total income tax expense recognised in statement of Profit &amp; Loss</b>	<b>0.00</b>	<b>-</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 July 2018 and 31 March 2019:**

Particulars	As at	Provided during	As at
	01-Apr-18	the Year	31-Mar-19
<b>Deferred tax liability:</b>			
Related to Fixed Assets (Depreciation)	-	0.00	-
Others			
<b>Total deferred tax liability (A)</b>	<b>-</b>	<b>0.00</b>	<b>-</b>
<b>Deferred tax assets:</b>			
Others	-	-	-
<b>Total deferred tax assets (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>-</b>	<b>0.00</b>	<b>-</b>

a) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



**KAJARIA FLOERA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 25 Employee benefits**

Defined Contribution Plans - General Description

Company has not yet become a member of Provident Fund, hence no provision made for Provident Fund during the year. As the company is still in the implementation stage of the Project

As per information & explanation given to us by the management of the company Gratuity liability has not been provided as none of the employees of the company are covered under gratuity Act. However, provision for the same has not been made by the company.



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No 26 Dues to Micro, Small and Medium Enterprises**

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

Particulars	31 March 2019	31 March 2018
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.00	0.00
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

# the details of amount outstanding to Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per information available with the company

MSME dues are paid within specified time limit and there are no overdue creditors hence interest provision is not requested.



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 28 Related party disclosures**

**Names of related parties and description of relationship**

Name of the related party	Relationship
Kajaria Ceramics Ltd	Parent/holding company
Mr.Ashok Kajaria	Share holder on behalf of KCL
Mr.Ramkishan Sharma	Director
Mr.Vishal Rastogi	Director
Mrs.Venkata Visalakshi Manthena	Executive Director
Mr.Venkata Rajani Kumar Dirisala	Director Technical
Mr.Vikram Khaitan- Chief Financial Officer	Key management personnel

**Relationship**

Following business transaction were carried out with related parties in ordinary course of business

**Transactions during the period/ year:**

**A Holding Company**

	31-Mar-19	31-Mar-18
Interest in bill discounting	-	-
Interest on Unsecured loan	315.76	33.70

**B Key Management Personnel where transaction has taken place**

**Transactions during the period/ year:**

	31-Mar-19	31-Mar-18
Salary of CFO	33.60	18.39
Salary of Director Technical	48.00	36.00
Interest on unsecured loans	-	-

**C Associate Enterprises where transaction has taken place**

	31-Mar-19	31-Mar-18
Management consultancy fees	-	-
Sale of goods	-	-
Interest on unsecured loans (JV Partners)	11.74	10.81

**D Outstanding balance of Related party transactions**

Particulars	31-Mar-19	31-Mar-18
Sale of Goods (net of all discounts)	-	-
Interest on loan	-	-
Salary	-	-
	-	-
	-	-

**Note:- An entity shall disclose key management**



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**  
(Amount in Rupees Lakhs, unless otherwise stated)

**Note No : 29 Fair Value measurement**

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

	Carrying value		Fair value	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
<b>Financial assets</b>				
Advances	541.01	382.85	541.01	382.85
Security deposits	6.87	6.26	6.87	6.26
<b>Total</b>	<b>547.88</b>	<b>389.11</b>	<b>547.88</b>	<b>389.11</b>
<b>Financial liabilities</b>				
Fixed rate borrowings	7,841.77	1,408.00	7,841.77	1,408.00
Floating rate borrowings	-	-	-	-
<b>Total</b>	<b>7,841.77</b>	<b>1,408.00</b>	<b>7,841.77</b>	<b>1,408.00</b>

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



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 30 Fair value hierarchy**

All Financial Instrument for which fair value is recognised or disclosed are categorised within the fair value hierarchy as follows. Based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted prices)

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable either directly or indirectly.

Level 3 : Valuation Techniques for which the lowest level inputs which t has a significant effect on fair value measurement is not based on observable marked date.

All the assets & liabilities of the company are carried at amortised cost, which is approximately equal to the fair values. Hence disclosures of fair value hierarchy is not applicable.



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS 31th March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 31 Financial risk management objectives and policies**

**Financial Risk Management Framework**

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

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

**A. Credit Risk**

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

**Exposure to credit risk:**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. NIL as of March 31, 2019, March 31, 2018 respectively, being the total of the carrying amount of financial assets.

**Trade receivables:**

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.



The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Company is selling its product mainly to its holding company based on predetermined terms & conditions reviewed and modified from time to time. Hence, no other system has been implemented for new customer. Moreover, being significant sales is to parent company based on predetermined terms & conditions, thus expected credit loss risk is low.

#### Financial instruments and cash deposits

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

#### B. Liquidity Risk

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

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

31-Mar-19

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Borrowings*	7841.77	-	-	-	0	7841.77
Trade and other payables	0	201.72	2560.92	101.42	0	2864.06
Other financial liabilities		152.20	0	0	0	152.2
Year ended 31st March 2018						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Borrowings*	0.00	-	-	-	0	0
Trade and other payables	0	-	0	0	0	0.00
Other financial liabilities	0	22.26	0	-	0	22.26215

\* Borrowings include current maturity

#### Excessive risk concentration

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

Company is dealing in tile industry only, however, it is subsidiary of Kajaria Ceramics Ltd., hence geographical region risk is very low, however, with respect to concentration risk due to changes in economical, political and other conditions of similar business industry is high due to non diversified business line. Intensity of such risk is lower as compare to other units of same industry in local region.



### C. Market Risk

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

The sensitivity analyses in the following sections relate to the position as at 30 Sept 2018 and 31 March 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 30 Sept 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 Sept 2018 and 31 March 2019 including the effect of hedge accounting

#### Interest rate risk - Not Applicable as the company did not have any loan exposure from Banks.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The following tables demonstrate the sensitivity with respect to borrowings from bank with all other variables held constant. Analysis reflects effect on profit before tax if average rate of borrowing goes up or down by 0.5 %

	Increase/decrease in basis points INR Lacs	Effect on profit before tax		Total Effect
		LOAN	WORKING CAPITAL	
<b>31-Mar-19</b>				
INR	+50	0.00	0.00	0.00
INR	-50	0.00	0.00	0.00
<b>31-Mar-18</b>				
INR	+50	0.00	0.00	0.00
INR	-50	0.00	0.00	0.00

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



**Foreign currency risk**

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

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	<b>Change in USD rate</b>	<b>Effect on profit before tax INR Lacs</b>
<b>31-Mar-19</b>	+5%	-
	-5%	0.00
<b>31-Mar-18</b>	+5%	-
	-5%	0.00

	<b>Change in Euro rate</b>	<b>Effect on profit before tax INR Lacs</b>
<b>31-Mar-19</b>	+5%	-
	-5%	-
<b>31-Mar-18</b>	+5%	0.00
	-5%	-

Note: Not Applicable as the company did not commence commercial operations as on the date of balance sheet



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 32 Capital Management**

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to maintain the adequate gearing ratio ".

	At 31 March 2019	At 31 March 2018
Borrowings	7,841.77	1,400.00
Other Liabilities	2,864.03	22.26
Trade and other payables	-	-
Less: Cash and short term deposits	118.50	77.12
<b>Net debts</b>	<b>10,587.31</b>	<b>1,345.14</b>
Equity	1,000.00	1,000.00
Other Equity	-	63.62
<b>Total Capital</b>	<b>1,000.00</b>	<b>1,063.62</b>
<b>Capital and net debt</b>	<b>11,587.31</b>	<b>2,408.76</b>
<b>Gearing ratio (%)</b>	<b>91.4%</b>	<b>55.8%</b>

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 Dec 2018 and 31 March 2019.



**KAJARIA FLOERA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 33 Commitments and Contingencies**

**A. Contingent Liabilities**

Sales Tax

At 31 March 2019	At 31 March 2018
-	-
-	-

**B. Commitments**

- i) Estimated amount of contracts remaining to be executed on capital
- ii) Other commitments :
  - Letter of credit opened in favour of overseas suppliers

At 31 March 2019	At 31 March 2018
1,007.87	-
-	-
2,554.93	-
3,562.79	-



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 34 CIF value of imports and consumption**

CIF Value of Imports	31 March 2019	March 31, 2018
Capital goods	3,433.09	-
(For the year Ended 31st March 2019: \$ 17,38,940)		
(For the year Ended 31st March 2019 : Euro 24,06,783)		
Stores and Spares	-	-
(For the year Ended 31st March 2019 : \$ 0)		
(For the year Ended 31st March 2019 : \$ 0)		
Raw Materials	-	-
(For the year Ended 31st March 2019 : \$ 0)		
(For the year Ended 31st March 2019 : \$ 0)		
	<b>3,433.09</b>	<b>-</b>

**Imported and Indigenous Raw Materials consumed**

	31 March 2019		March 31, 2018	
	% of Total consumption	Rs. Lakhs	% of Total consumption	Rs. Lakhs
Raw Materials				
Imported	0.00%	-	0.00%	-
Indigenous	0.00%	-	0.00%	-
	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>



34 (A) Unhedged Foreign currency exposuer

The Company has no outstanding derivatives instruments at year end. The amount of foreign currency exposuer that are not hedged by derivatives instruments or otherwise are as under

	<u>31.03.2019</u>	
Foreign Currency Payable	Foreign Currency	Amount (Rs. Lacs)
USD	13.69	957.17
EURO	20.22	1,597.76

	<u>31.03.2018</u>	
Foreign Currency	Amount (Rs. Lacs)	
-	-	-
-	-	-

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# KAJARIA FLOERA CERAMICS PVT LTD

## Break up of Pre-operative Expenses

Rs. In Lakhs

Particulars	AS AT	AS AT
	31.03.2019	31.03.2018
<b>Pre Operative Expenses Break up</b>		
Bhoomi Pooja Exp	25.36	25.36
Retainers Fee	3.55	3.55
Canteen Expenses	1.01	1.01
Conveyance Expenses	1.64	1.64
Internet and Telephone Charges	0.57	0.57
Salaries	214.44	90.89
Site Formation Exp	3.98	3.54
Site Maintenance Exp	4.96	2.43
Fee and License	31.78	25.63
Insurance charges	3.48	
Project Report Charges	1.80	1.80
Transportation Charges	0.17	0.17
Vehicle Maintenance	0.22	0.22
Consultancy Fee	12.74	7.10
Temporary Structures	0.27	0.27
Unapportioned Overhead - Capex	481.42	114.45
<b>TOTAL</b>	<b>787.39</b>	<b>278.63</b>



**KAJARIA FLOERA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR 31 March 2019**

**Note No 35 CSR Non-Spend**

During the year under consideration company has not spent any amount towards CSR as mentioned under section 135 of the companies Act, 2013. As per information & explanation given to us by the management no committee for the same has been formulated. As the company has not commenced commercial operations and is still in the project implementation stage only.

**Note No 36 Balance Confirmation**

Balances of certain debtors, creditors, loans and advances are subject to confirmation

**Note No 37 Regrouping/Recasting**

Previous year figures have been regrouped and recasted wherever necessary



## KAJARIA FLOERA CERAMICS PVT LTD

### 27. OTHER EXPENSE

	AS AT 31.03.2019	AS AT 31.03.2018
Advertisement Expenses	1.02	0.47
Printing & stationery	2.13	0.84
Bank Charges	2.94	-
Power and Fuel	41.29	4.02
Rent	14.10	6.84
<b>Repairs and Maintenance:</b>	-	-
Computer	0.43	0.13
Office	7.01	3.43
Vehicles	9.68	3.71
Room Maintenance	2.36	1.59
Computer Software Expenses	0.31	0.13
General Repairs and Maintenance	0.71	0.36
Travelling and Conveyance	63.21	28.33
Transportation and logistics charges	1.88	0.30
0.167	-	-
Audit Fees including Limited Review Fees	7.50	2.50
Other Services	2.40	2.40
For Reimbursement of expenses	-	-
Others	-	-
Personnel and Administration	-	-
Selling and Distribution	-	-
Miscellaneous	0.01	
Business Promotion Expenses	0.41	0.41
Pooja Expenses	1.33	0.21
Cook Salary/Cantten Expenses	9.49	4.78
Entertainment Expenses	0.38	0.27
Fees & License	0.34	0.34
Internet & Telephone Charges	2.17	0.57
Postage & Courier Expenses	0.14	0.03
Technician Charges	6.16	
Vehicles Hire Charges	2.32	
Donation	0.10	
Loading & Unloading/Labour Charges	0.14	0.14
Newspaper & Periodicals	0.05	0.02
Rounding Off	0.00	0.00
Retainers Fee	1.95	1.95
Interest	0.01	
Conveyance	11.80	5.86041
Security Charges	8.08	0.30
Staff Welfare exp	0.16	
Foreign Exchange Diffrence	97.38	
Staff Recruitment exp	2.09	0.02
Office Pantry	0.79	
Sundry Balance W/o.	0.00	
Professional Placement Charges	1.91	
Interest cost to be capitalised	372.01	44.52
Transfer to Unapportioned Capex Overhead	481.42	114.45
	<b>0.00</b>	-



## Accounting Policies under Ind AS

### Standalone financial statements of Kajaria Floera Ceramics Private Limited for the year ended 31-March-2019

#### 1. Corporate information

Kajaria Floera Ceramics Private Limited ("KFCPL" or "the company") is a private limited company domiciled in India and was incorporated on 14.10.2014. The company is subsidiary company of Kajaria Ceramics Limited. The registered office of the Company is located at J-1/B-1 Extension, Mohan Coop Ind Estate, Mathura Road, New Delhi.

The Company has forayed into manufacturing and trading of floor tiles items. The plant of the company is being setup at Thottambedu Village, Chittoor District of Andhra Pradesh. Land has been allotted to an extent of Ac. 150.00 by the Andhra Pradesh State Government and was registered in the name of the Company.

The financial statements of the company for the year ended 31st March 2019 were authorized for issue in accordance with a resolution of the directors on 17.04.2019

#### 2. Significant accounting policies

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with Indian GAAP including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first being prepared in accordance with IndAS.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

##### 2.2 Significant accounting policies

###### a. Current versus non-current classification

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

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

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



## Accounting Policies under Ind AS

### Standalone financial statements of Kajaria Floera Ceramics Private Limited for the year ended 31-March-2019

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

The Company classifies all other liabilities as non-current.

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

#### **b. Property, plant and equipment**

##### **i) Tangible assets**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost net of accumulated depreciation as at 31 March 2015. The Company has elected to regard those values of property as deemed cost at the date of the transition to Ind AS, i.e., 1 April 2015.

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/installation], net of accumulated depreciation.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipment are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

Particulars

Useful lives

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Note: No Depreciation has been provided in the Books of Accounts as the Unit has not started its operations during the year.

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



## Accounting Policies under Ind AS

### Standalone financial statements of Kajaria Floera Ceramics Private Limited for the year ended 31-March-2019

#### ii) Capital work in progress

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

#### c. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of six years.

#### d. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

#### e. Impairment of non-financial assets

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

#### f. Inventories

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

#### g. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from operations includes sale of goods, services and excise duty, adjusted for discounts (net).



## Accounting Policies under Ind AS

### Standalone financial statements of Kajaria Floera Ceramics Private Limited for the year ended 31-March-2019

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

#### **h. Foreign currency transactions**

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### **i. Taxes on income**

##### Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

##### Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in



## **Accounting Policies under Ind AS**

### **Standalone financial statements of Kajaria Floera Ceramics Private Limited for the year ended 31-March-2019**

equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

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

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

#### **j. Employee benefits**

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

#### **k. Provisions, Contingent liabilities and Contingent assets**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

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

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### **l. Earnings per share**

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

#### **m. Cash and cash equivalents**



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Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### **n. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

#### **o. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **(a) Financial assets**

###### **Classification**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

###### **Initial recognition and measurement**

All financial assets are recognized 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.



### **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost**

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

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### **Derecognition**

A financial asset is primarily derecognized 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.

### **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

### **(b) Financial liabilities**

#### **Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss.

#### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.



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#### Subsequent measurement

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

- **Financial liabilities at amortised cost**

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

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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

### 2.3 Significant accounting judgements, estimates and assumptions

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

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they



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impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### Judgements

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

#### Contingencies

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

#### Estimates and assumptions

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

#### (a) Impairment of non-financial assets

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

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

#### (b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension



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increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **(c) Fair value measurement of financial instruments**

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

#### **(d) Impairment of financial assets**

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

## **2.4 Standards Issued but not yet Effective**

### **Ind - AS 115 "Revenue from Contract with Customers**

Ind AS 115 was issued in February, 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard will come into force from accounting period commencing on or after 1<sup>st</sup>April, 2018. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.



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**Amendments to Ind AS 7 "Statement of cash flows"**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This amendment is effective for accounting period commencing on or after 1<sup>st</sup>April, 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

P- Ravindra



**P RAVINDRA VARMA**  
Chartered Accountant  
Membership No.215631

D V Rajini Kumar

**D V RAJINI KUMAR**  
Director  
DIN: 03613886

Ramkishan Sharma

**RAMKISHAN SHARMA**  
Director  
DIN:06746188

Date: 18.04.2019  
Place: Thatiparthi

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