

# COSA CERAMICS PRIVATE LIMITED

Financial Year : 2020-21

**Audited by :**



Firm Registration No. : 139863W

Membership no. : 162458

Pan no. : ABHPF5954A

**A. M. FULETRA & ASSOCIATES**

**Chartered Accountant**

Office No. 1, Forth Floor, Laxmi Plaza, Opp : GIDC,  
Shanala Road, Morbi -363641

Contact No.: +91 84908 33702



# **A. M. Fuletra & Associates**

Chartered Accountant

## **INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of,  
**COSA CERAMICS PRIVATE LIMITED**

### **Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of **COSA CERAMICS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position (state of affairs) of the Company as at 31<sup>st</sup> March 2021, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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



## **Information other than financial statements (other information)**

The Company's Board of directors is responsible for the other information. The other information comprises the information included in the director's report including annexures thereto, but does not include the financial statements and auditor's report thereon. The above referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action necessitated by the circumstances & the applicable laws and regulations.

## **Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.



## Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

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



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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



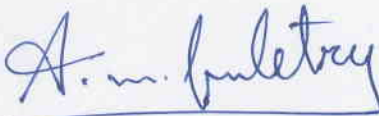
g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note no. 36 to the Ind AS Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, A. M. FULETRA & ASSOCIATES

**Chartered Accountants**

F.R. No. : 139863W



AKASH M. FULETRA

Proprietor

M.No.162458

Place : Morbi

Date : 11.05.2021

UDIN: 21162458AAAAGG6453



## **ANNEXURE I**

### **ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2021**

Based on the audit procedure performed for the purpose of reporting a true and fair view on the financial statements and taking in to consideration the information and explanation given to us by the management of the company to the best of our knowledge and belief, we report that:

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.  
b) As explained to us, major fixed assets have been physically verified by the management during the year. We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account. In our opinion the frequency of verification is reasonable having regard to the size of the company and nature of its assets.  
c) In our opinion and according to the information and explanation given to us title deeds of immovable properties (which are included under the head Property, Plant & Equipment) are held in the name of the company.
2. Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials except clay. We were informed that physical verification of clay was difficult due to its volume and loose nature. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same has been properly dealt with in the books of account.
3. The Company has not granted any loan during the year, to Company, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us in respect of loans, investments and guarantees, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the Provisions of sections 73 to 76 and rule framed there under of the companies Act therefore clause V of Companies (Auditor's Report) order is not applicable.
6. In respect of business activities of the company, maintenance of cost records has not been prescribed by the central Government under sub section (i) of Section 148 read with rules framed there under of the companies Act, 2013.
7. a) As per information and explanations given to us the Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, GST, Octroi, entry tax and other statutory dues with the appropriate Authorities.



- b) There were no undisputed amounts payable in respect of Income tax, Custom duty, Excise duty, cess and other material statutory dues in arrears as at 31<sup>st</sup> March,2021 for a period of more than six months from the date they became payable.
- c) The dues outstanding in respect of Income tax, Sales tax etc on account of any dispute are as per Note No. 36 of notes to accounts.
8. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of dues to the Financial Institutions or banks as at the year end.
9. According to the information and explanations given to us the term loans taken by the company have been applied for the purposes for which the loans were obtained.
10. As per information provided to us & explanation given to us & based on the audit procedures conducted,we are of the opinion that no fraud has been committed by the company or on the company by its employees & officers during the year covered under Audit
11. During the year, Company has not paid Remuneration to its directors thus provisions of section 197 to the Companies Act, 2013 are not applicable.
12. As the company is not a nidhi company, clause xii of paragraph 3 is not applicable.
13. Based on our audit procedures and on the basis of information and explanations given to us by the management, We are of the opinion that all the transactions with related parties are in compliance with section 177 and section 188 of the companies Act, 2013. Details of such transaction as per requisite of Ind AS 24 have been given in Note No 31 in Notes to accounts.
14. As per information and explanations given to us the Company has not made any preferential allotment hence this clause is not applicable.
15. Based on our audit procedures and on the basis of information and explanations given to us by the management, company has not entered into any non cash transactions with directors or persons connected with him.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, A. M. FULETRA & ASSOCIATES

Chartered Accountants

F.R. No. : 139863W



AKASH M. FULETRA

Proprietor

M.No.162458

Place : Morbi

Date : 11.05.2021







**ANNEXURE II**

**Report on the Internal Financial Controls with reference to the aforesaid financial statements of COSA CERAMICS PRIVATE LIMITED under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').**

In conjunction with our audit of the Ind AS financial Statements of the company as of and for the year ended 31st March, 2021, We have audited the internal financial controls over financial reporting of COSA CERAMICS PRIVATE LIMITED

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements were 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these financial statements include 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 authorisations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial controls over Financial Reporting**

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



## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2021 based on the internal financial controls 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 ICAI.

For, A. M. FULETRA & ASSOCIATES

Chartered Accountants

F.R. No. : 139863W



AKASH M. FULETRA

Proprietor

M.No.162458

Place : Morbi

Date : 11.05.2021

## Accounting Policies under Ind AS

### Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

#### 1. Corporate information

COSA CERAMICS PVT. LTD. ("the company") is a Private limited company domiciled in India and was incorporated on 31/12/2010. The registered office of the Company is located at S. No. 774p1, Nr. GSPC Gas Terminal, Lakhdhirpur Road, Ghuntu, Morbi – 363642.

The company is closely held company limited by shares, company is engaged in manufacturing of vitrified tiles having its factory premises at above mentioned address. Company is a subsidiary company of Kajaria Ceramics Ltd.

#### 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.

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 Indian Rupees (INR) and all values are rounded to the nearest lakhs 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.

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.



## Accounting Policies under Ind AS

Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

### b. Property, plant and equipment

#### i) Tangible assets

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 and accumulated impairment losses, if any.

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 equipments 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 equipments 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
Plant and Machinery	18 Years

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.

#### 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 three years.



## Accounting Policies under Ind AS

### Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

#### d. Research & Development Costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

#### e. 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.

#### f. 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.

#### g. 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.

#### h. 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 and services, adjusted for discounts (net).

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



## Accounting Policies under Ind AS

### Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

#### i. 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.

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



## Accounting Policies under Ind AS

### Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

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.

#### k. 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.

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.

#### Define Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the Present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined obligation is calculated annually by actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of the Profit and loss.

#### l. 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.





## Accounting Policies under Ind AS

### Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

#### m. Earnings per share

Basic earning 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 earning 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..

#### n. Cash and cash equivalents

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.

#### o. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, 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.

#### p. 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.



## Accounting Policies under Ind AS

Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

### (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.

#### De-recognition

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.



## Accounting Policies under Ind AS

Standalone financial statements of Cosa Ceramics Private Limited for the year ended 31-March-2021

### (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. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### 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, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### 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.

#### De-recognition

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.

### (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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



**COSA CERAMICS PVT. LTD.**  
**BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
Property, plant and equipment	3	8,041.19	7,930.01
Capital work-in-progress	3	89.60	-
Other Intangible assets	4	0.29	0.29
Financial assets			
(i) Investments		-	-
(ii) Loans & Advances	5	0.11	79.04
Non-current tax asset (net)		23.28	20.99
Other non-current assets		-	14.22
<b>(2) Current assets</b>			
Inventories	8	3,372.04	3,317.00
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	9	1,090.65	89.14
(iii) Cash and cash equivalents	10	152.43	11.99
(iv) Other bank balances		-	-
(iv) Loans & Advances	5	3.31	31.06
(v) Others financial assets	6	-	7.26
Other current assets	7	16.11	43.80
<b>Total Assets</b>		<b>12,789.02</b>	<b>11,544.78</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	11	910.20	910.20
Other Equity	12	5,818.89	6,274.47
<b>(2) LIABILITIES</b>			
<b>(a) Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	13	1,806.86	787.13
(ii) Other financial liabilities	15	-	-
Provisions		13.57	12.13
Deferred tax liabilities (Net)	27	221.02	373.10
Other non current liabilities		-	-
<b>(b) Current liabilities</b>			
Financial liabilities			
(i) Borrowings	13	2,006.92	1,182.41
(ii) Trade Payables	14		
Outstanding dues of Micro Enterprises and Small Enterprises		601.70	229.65
Outstanding dues other than Micro Enterprises and Small Enterprises		921.59	589.58
(iii) Other financial liabilities	15	435.16	643.36
Provisions	16	0.61	0.53
Other current liabilities	17	52.49	542.25
<b>Total Equity and Liabilities</b>		<b>12,789.02</b>	<b>11,544.78</b>
<b>Significant accounting policies</b>	1&2		

The accompanying notes form an integral part of these financial statements.  
in terms of report of even date annexed

FOR A. M. FULETRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 139863W

CA Akash M. Fuletra  
Proprietor  
M.No. 162458  
Place: Morbi  
Date: 11/05/2021



For and on behalf of Board of Directors

SHRI RAMKISHAN SHARMA  
Director  
DIN: 06746188

SHRI KISHORBHAI PATEL  
Director  
DIN: 00372816

**COSA CERAMICS PVT. LTD.**

**Statement of Profit and Loss for the year ended 31st March 2021**

2

(Amount in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>I REVENUE</b>			
Revenue from operations	18	7,898.85	12,571.35
Other income	19	16.61	14.81
<b>Total Revenue (I)</b>		<b>7,915.46</b>	<b>12,586.16</b>
<b>II EXPENSES</b>			
Cost of material consumed	20	3,205.25	5,655.24
Purchases of stock in trade		1.73	-
Changes in inventories of finished goods, stock-in-trade and work in progress	21	129.43	(1,071.54)
Employee benefits expenses	22	837.93	1,156.64
Finance costs	23	230.37	262.23
Depreciation and amortization expenses	24	587.03	579.27
Other expenses	25	3,532.28	6,117.53
<b>Total expenses (II)</b>		<b>8,524.02</b>	<b>12,699.36</b>
<b>III Profit before exceptional items and tax from continuing operations (I-II)</b>		<b>(608.56)</b>	<b>(113.20)</b>
<b>IV Exceptional Items</b>		-	-
<b>V Profit/(loss) before tax from continuing operations (III-IV)</b>		<b>(608.56)</b>	<b>(113.20)</b>
<b>VI Tax expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		(152.08)	(98.17)
(3) Income Tax for earlier years		-	(0.09)
<b>VII Profit (Loss) for the Year from continuing operations (V-VI)</b>		<b>(456.48)</b>	<b>(14.95)</b>
<b>Discontinued operations</b>			
Profit/(loss) before tax for the year from discontinued operations		-	-
Tax Income/ (expense) of discontinued operations		-	-
<b>VIII Profit/ (loss) for the year from discontinued operations</b>		-	-
<b>IX Profit/ (loss) for the year (VII+VIII)</b>		<b>(456.48)</b>	<b>(14.95)</b>
<b>X 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>			
Re-measurement gains (losses) on defined benefit plans		0.90	-
Income tax effect		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>0.90</b>	-
<b>Total Comprehensive Income for the Year</b>		<b>(455.58)</b>	<b>(14.95)</b>
<b>XI (Comprising Profit (Loss) and Other Comprehensive Income for the Year)</b>			
<b>Earnings per equity share for continuing operations</b>			
(1) Basic, computed on the basis of profit from continuing operations		(5.01)	(0.16)
(2) Diluted, computed on the basis of profit from continuing operations		(5.01)	(0.16)
Significant accounting policies		1&2	

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

As per our report of even date

FOR A. M. FULETRA & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN : 139863W

*A. M. Fuletra*

CA Akash M. Fuletra

Proprietor

M.No. 162458

Place: Morbi

Date: 11/05/2021



For and on behalf of Board of Directors

*Shri Ramkishan Sharma*

SHRI RAMKISHAN SHARMA

Director

DIN: 06746188

*Shri Kishorbhai Patel*

SHRI KISHORBHAI PATEL

Director

DIN: 00372816

**COSA CERAMICS PVT. LTD.**

**Cash Flow Statement for the year ended 31st March 2021**

**(Amount in Rupees Lakhs, unless otherwise stated)**

	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(608.56)	(113.20)
Adjusted for :		
Depreciation	587.03	579.27
Interest income	(5.25)	(6.53)
Interest Cost	230.37	262.23
Loss on sale of fixed assets	-	31.78
Provision for Gratuity	2.43	12.65
	814.58	879.40
<b>Operating Profit before Working Capital Changes</b>	206.02	766.19
Adjusted for :		
Trade & Other Receivables	(973.77)	1,459.35
Other bank balance		
Other assets	41.90	190.01
Inventories	(55.04)	(1,036.41)
Trade Payable	704.06	(613.42)
Other financial liabilities	(81.47)	(51.66)
Other liabilities	-489.75	289.35
	(854.06)	237.22
<b>Cash Generated from Operations</b>	(648.04)	1,003.41
Direct Taxes Paid	(2.29)	(105.60)
Exceptional / Extraordinary items	-	-
	(2.29)	(105.60)
<b>Net Cash from operating activities</b>	(650.33)	897.81
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/sale(net) of Fixed Assets	(698.21)	(334.96)
Change in Capital work in progress	(89.60)	17.44
Capital creditors	188.17	-
Capital advance	-	-
Investment	-	-
Interest Received	12.51	6.59
Bank deposit	78.93	5.91
<b>Net Cash used in Investing Activities</b>	(508.20)	(305.02)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/ (Repayment) of Borrowings (Net)	1,844.25	(271.24)
Current maturities of long term debts	(314.90)	(56.69)
Interest Paid	(230.37)	(262.23)
<b>Net Cash used in Financing Activities</b>	1,298.98	(590.16)
<b>Net increase in Cash and Cash Equivalents</b>	140.44	2.63
Cash and Cash Equivalents as at the beginning of the year	11.99	9.36
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>152.43</b>	<b>11.99</b>



**Note to cash flow statement**

1 Components of cash and cash equivalents

Balances with banks		
- Current accounts	148.15	8.96
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	-	-
Cash on hand	4.28	3.03
Other bank balance (earmarked balance with bank)	-	-
<b>Cash and cash equivalents considered in the cash flow statement</b>	<b>152.43</b>	<b>11.99</b>

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 A. M. FULETRA & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN : 139863W

*A. M. Fuletra*

CA Akash M. Fuletra

Proprietor

M.No. 162458

Place: Morbi

Date: 11/05/2021



For and on behalf of Board of Directors

*SHRI RAMKISHAN SHARMA*

SHRI RAMKISHAN SHARMA

Director

DIN: 06746188

*SHRI KISHORBHAI PATEL*

SHRI KISHORBHAI PATEL

Director

DIN: 00372816

**COSA CERAMICS PVT. LTD.**

**Statement of Changes in Equity for the year ended 31 March 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

	31st March 2021	31st March 2020
a Equity share capital		
Issued, subscribed and paid up capital		
Opening balance	910.20	910.20
Changes	-	-
Closing balance	910.20	910.20

b Other equity

Particulars	Reserves and Surplus		Items of OCI		Total equity
	Share premium	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans		
At 31 March 2020	1,350.31	4,924.16	-		6,274.47
Net income / (loss) for the year	-	(455.58)	-		(455.58)
Other comprehensive income	-	-	0.90		0.90
<b>Total comprehensive income</b>	-	(455.58)	0.90		(454.68)
At 31 March 2021	1,350.31	4,468.58	0.90		5,819.79

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

FOR A. M. FULETRA & ASSOCIATES  
CHARTERED ACCOUNTANTS

FRN : 139863W

*A. M. Fuletra*  
CA Akash M. Fuletra

Proprietor

M.No. 162458

Place: Morbi

Date: 11/05/2021



For and on behalf of Board of Directors

*Shri Ramkishan Sharma*

SHRI RAMKISHAN SHARMA

Director

DIN: 06746188

*Shri Kishorbhai Patel*

SHRI KISHORBHAI PATEL

Director

DIN: 00372816



**COSA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, 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 31st March 2020</b>	207.70	1,548.91	9,361.24	149.52	153.20	16.26	-	11,436.83
Additions	-	-	721.25	0.88	-	7.30	89.60	729.43
Disposal	-	-	50.91	-	-	-	-	50.91
Exchange differences	-	-	-	-	-	-	-	-
<b>As 31st March 2021</b>	207.70	1,548.91	10,031.58	150.40	153.20	23.56	89.60	12,115.35
<b>Depreciation and impairment</b>								
<b>As 31st March 2020</b>	-	287.38	3,068.07	66.47	70.84	14.06	-	3,506.82
Additions	-	49.28	505.78	14.10	16.55	1.32	-	587.03
Disposal	-	-	19.69	-	-	-	-	19.69
Exchange differences	-	-	-	-	-	-	-	-
<b>As 31st March 2021</b>	-	336.66	3,554.16	80.57	87.39	15.38	-	4,074.16
<b>Net book value</b>								
<b>As 31st March 2021</b>	207.70	1,212.25	6,477.42	69.83	65.81	8.18	89.60	8,041.19
<b>As 31st March 2020</b>	207.70	1,261.53	6,293.17	83.05	82.35	2.20	-	7,930.01

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



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 4 Intangible Assets**

Particulars	Software	Total
<b>Cost or Valuation</b>		
As 31st March 2020	5.88	5.88
Additions	-	-
Disposal	-	-
Exchange differences	-	-
As 31st March 2021	5.88	5.88
<b>Depreciation and impairment</b>		
As 31st March 2020	5.58	5.58
Additions	-	-
Disposal	-	-
Exchange differences	-	-
As 31st March 2021	5.58	5.58
<b>Net book value</b>		
As 31st March 2021	0.29	0.29
As 31st March 2020	0.29	0.29



**COSA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

	Non-Current		Current	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>Note No. 5 Loans &amp; advances at amortised cost</b>				
<b>Security deposits</b>				
<b>Secured</b>				
Unsecured	0.11	0.11	3.31	31.06
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
Less: provision for doubtful deposits	0.11	0.11	3.31	31.06
<b>Total loans at amortised cost</b>	<b>0.11</b>	<b>0.11</b>	<b>3.31</b>	<b>31.06</b>
Bank deposits with more than 12 months maturity	-	78.93	-	-
<b>Total loans at amortised cost</b>	<b>0.11</b>	<b>79.04</b>	<b>3.31</b>	<b>31.06</b>
<b>Note No. 6 Others financial assets</b>				
Interest Accrued on Term Deposit	-	-	-	7.26
<b>Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.26</b>
<b>Note No. 7 Other current assets</b>				
Prepaid expenses	-	-	12.04	17.66
Advance - Suppliers	-	14.22	4.07	0.22
Balance with statutory authorities	-	-	-	25.92
<b>Total.....</b>	<b>-</b>	<b>14.22</b>	<b>16.11</b>	<b>43.80</b>



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**  
(Amount in Rupees Lakhs, unless otherwise stated)

**Note No 8 Inventories**

(As taken, valued & certified by the management)

Particulars	31st March 2021	31st March 2020
Raw Materials	491.83	434.68
Work-in-Process	152.82	76.85
Finished Goods	2,146.83	2,352.23
Stores and Spares	580.56	453.25
<b>Total inventories</b>	<b>3,372.04</b>	<b>3,317.00</b>

**Note No 9 Trade receivables**

(unsecured, considered good, unless otherwise stated)

Particulars	31st March 2021	31st March 2020
Trade receivables - others	1,090.65	89.14
	1,090.65	89.14
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	1,090.65	89.14
Doubtful	-	-
	1,090.65	89.14
Less: Provision for doubtful debts	-	-
	1,090.65	89.14
<b>Total trade receivables (i)+(ii)</b>	<b>1,090.65</b>	<b>89.14</b>

**Note No. 10 Cash and cash equivalent**

Particulars	31st March 2021	31st March 2020
Balance with banks		
- In current accounts (including balance with sweep FD)	148.15	8.96
Cash on hand	4.28	3.03
<b>Total cash &amp; cash equivalent</b>	<b>152.43</b>	<b>11.99</b>
Particulars	31st March 2021	31st March 2020
Balance with banks		
- In current accounts	148.15	8.96
- Deposit with original maturity of less than 3 months	-	-
Cheques, drafts on hand	-	-
Cash on hand	4.28	3.03
	<b>152.43</b>	<b>11.99</b>



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 11 Equity Share capital**

Particulars	31st March 2021	31st March 2020
<b>a) Authorised Share Capital</b>		
Equity share capital		
10000000 (March 31, 2021: 10000000, March 31, 2020 : 10000000) equity shares of Rs. 10 each.	1,000.00	1,000.00
<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>b) Issued, subscribed and paid up capital</b>		
Equity share capital		
9102040 (March 31, 2021: 9102040, March 31, 2020 : 9102040) equity shares of Rs. 10 each.	910.20	910.20
	<b>910.20</b>	<b>910.20</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>31/03/2021</b>	<b>31/03/2020</b>
Shares outstanding at the beginning of the year	9,102,040	9,102,040
Shares issued during the year	-	-
Shares outstanding at the end of the year	<b>9,102,040</b>	<b>9,102,040</b>
	<b>Amount of share capital</b>	
<b>Particulars</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
Shares outstanding at the beginning of the year	91,020,400	91,020,400
Shares issued during the year	-	-
Shares outstanding at the end of the year	<b>91,020,400</b>	<b>91,020,400</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. 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	Number of shares held		% of holding
	31/03/2021		
Kajaria Ceramics Limited	4642040		51%
	<b>31/03/2020</b>		
Kajaria Ceramics Limited	4642040		51%



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**  
(Amount in Rupees Lakhs, unless otherwise stated)

**Note No 12 Other Equity**

Particulars	Amount
<b>a) Security premium reserve</b>	
At 01 April 2019	1,350.31
Changes during the period	-
At 31 March 2020	<b>1,350.31</b>
Changes during the period	-
Closing balance	<b>1,350.31</b>
<b>b) Retained earnings</b>	
At 01 April 2019	4,939.11
Add: Acquisition during period	-
Profit/(loss) during the period	(14.95)
At 31 March 2020	4,924.16
Profit/(loss) during the period	(456.48)
Closing balance	<b>4,467.68</b>
<b>c) Other comprehensive income</b>	
At 01 April 2019	-
Profit/(loss) during the period	-
At 31 March 2020	-
Profit/(loss) during the period	0.90
Closing balance	<b>0.90</b>
<b>Total other equity at</b>	
As at 31 March 2021	5,818.89
As at 31 March 2020	6,274.47



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

	Non-Current		Current	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>Financial Liabilities</b>				
<b>Note No. 13 Borrowings</b>				
Rupee term loans (secured)				
From banks	412.50	2.04		-
Working capital loans (secured)				
From banks	-	-	2,006.92	1,182.41
Unsecured loan from related parties	1,394.36	785.09	-	-
<b>Total borrowings</b>	<b>1,806.86</b>	<b>787.13</b>	<b>2,006.92</b>	<b>1,182.41</b>

**Notes:**

Type and Nature of Borrowings			Effective interest rate on 31/03/21
	31st March 2020	31st March 2021	
Bank Loans	454.44	550.00	7.40
Working capital loans	1,182.41	2,006.92	7.30

\* Term loan from HDFC Bank is secured against first charge on fixed assets of the Company (Building and plant & machinery). The loan is further secured by personal guarantee of the Directors of the Company & Corporate guarantee to the extent of 100% of the debt of the Company by Kajaria Ceramics Limited

\* The term loans are repayable in installments as per the terms of the respective agreements generally over a period of Four years after a moratorium period.

\* Effective rate of interest is as per information and explanation provided to us by the management.

\* There is no default in repayment of any othe loan or interest there of during the year

**Note No 14 Trade payables**

<b>Sundry Creditors:</b>			-	
(Average payment period 90 days)				
Dues of Micro, Small and Medium Enterprises		-	601.70	229.65
Dues to others		-	921.59	589.58
<b>Total</b>		-	<b>1,523.29</b>	<b>819.23</b>

# Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of infomration collected by the management. This has been relied upon by the auditors.



**Note No. 15 Others financial liabilities**

Current maturities of long term debts		-	137.50	452.40
Unpaid Expenses(Provision)	-	-	2.78	112.18
Amount payable to capital creditors		-	188.17	-
Compensation payable			103.25	64.69
Unpaid Interest on Bank facilities			3.46	14.09
<b>Total</b>	-	-	<b>435.16</b>	<b>643.36</b>

**Note No 16 Provisions**

Others				
Provision for :				
Income Taxes	-	-	-	-
Employee benefits - Gratuity	13.57	12.13	0.61	0.53
<b>Total</b>	<b>13.57</b>	<b>12.13</b>	<b>0.61</b>	<b>0.53</b>

**Note No. 17 Other current liabilities**

Advance from Customers	-	-	-	475.72
Statutory Dues Payable	-	-	52.49	66.53
<b>Total</b>	-	-	<b>52.49</b>	<b>542.25</b>





**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No 18 Revenue from operations**

Particulars	31st March 2021	31st March 2020
Sale of products		
Sale of manufactured goods	7,898.85	12,571.21
<b>Total sale of products</b>	<b>7,898.85</b>	<b>12,571.21</b>
Other Operating Revenue		
Sundry balances written off	-	0.14
<b>Total other operating income</b>	<b>-</b>	<b>0.14</b>
<b>Total</b>	<b>7,898.85</b>	<b>12,571.35</b>

**Note No 19 Other Income**

Particulars	31st March 2021	31st March 2020
Other non operating income		
Interest income on FD	5.25	6.53
Interest on security deposit	-	3.11
Interest on IT refund	-	4.05
Gain / (loss) on foreign currency rate difference	11.35	1.13
<b>Total</b>	<b>16.61</b>	<b>14.81</b>

**Note No. 20 Cost of materials consumed**

Particulars	31st March 2021	31st March 2020
Raw Material & Glaze, Frits and Chemicals Consumption	2,932.22	5,221.98
Packing Material Consumption	273.03	433.26
<b>Cost of material consumed</b>	<b>3,205.25</b>	<b>5,655.24</b>

**Note No. 21 Changes in inventories of finished goods, stock in trade and work in progress**

Particulars	31st March 2021	31st March 2020
Closing stock		
Finished Goods	2,146.83	2,352.23
Work-in-process	152.82	76.85
	2,299.65	2,429.07
Less :		
Opening stock		
Finished Goods	2,352.23	1,257.97
Work-in-process	76.85	99.56
	2,429.07	1,357.53
(Increase) / decrease		
- Finished goods	205.40	(1,094.25)
- Work-in-progress	(75.97)	22.71
<b>Net (Increase)/decrease in Stock</b>	<b>129.43</b>	<b>(1,071.54)</b>



**Note No 22 Employee benefit expense**

Particulars	31st March 2021	31st March 2020
Salary, wages, bonus and allowance	821.95	1,129.26
Contribution to provident fund and other funds	3.36	3.48
Staff Welfare expenses	10.18	11.24
Provision for gratuity	2.43	12.65
<b>Total</b>	<b>837.93</b>	<b>1,156.64</b>

**Note No 23 Finance Cost**

Particulars	31st March 2021	31st March 2020
Interest on debts and borrowings	201.06	241.26
Other Borrowing Cost	29.31	20.97
<b>Total</b>	<b>230.37</b>	<b>262.23</b>

**Note No 24 Depreciation and amortization expense**

Particulars	31st March 2021	31st March 2020
Depreciation of property, plant and equipment (Note no 3)	587.03	579.27
Amortisation of intangible assets (Note no 4)	-	-
<b>Total</b>	<b>587.03</b>	<b>579.27</b>

**Note No 25 Other expenses**

Particulars	31st March 2021	31st March 2020
Consumption of stores, spares and consumables	385.23	723.89
Packing Freight & Forwarding Expenses	3.16	15.13
Power and fuel	2712.87	4718.79
Other Manufacturing Expense	35.42	68.60
Traveling & Conveyance Expenses	1.26	3.82
Insurance	18.01	9.64
VAT/CST on assessment	7.02	68.43
Rates and taxes	0.79	1.83
Repairs and maintenance:		
- Building	4.66	5.45
- Machinery	116.25	116.10
- Others	16.61	11.82
Legal and professional charges	188.02	278.83
Loss on sale of fixed assets	-	31.78
Payment to Auditors:		
As Auditor:		
Audit fees(statutory & Tax audit)	2.40	5.50
Equipment hiring charges	-	0.36
Interest on late payment of TDS	0.29	0.27
Communication Expense	5.59	7.21
Printing & Stationary	1.50	3.14
Security Charges	15.00	13.25
Vehicle Running & Maintenance Expenses	7.32	12.84
Other miscellaneous expenses	10.89	20.86
<b>Total</b>	<b>3,532.28</b>	<b>6,117.53</b>



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 26 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	31st March 2021	31st March 2020
<b>Profit attributable to equity holders of the Company:</b>		
Continuing operations	(455.58)	(14.95)
Discontinued operations	-	-
<b>Profit attributable to equity holders for basic earnings</b>	<b>(455.58)</b>	<b>(14.95)</b>
Dilution effect	-	-
<b>Profit attributable to equity holders adjusted for dilution effect</b>	<b>(455.58)</b>	<b>(14.95)</b>
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	91.02	91.02

\* 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	(5.01)	(0.16)
Diluted	(5.01)	(0.16)
Face value per share (Rs)	10.00	10.00



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 27 Tax Reconciliation**

**(a) Income tax expense:**

The major components of income tax expenses for the year ended March 31, 2021 and March 31, 2020 are as follows:

**(i) Profit or loss section**

Particulars	31/03/2021	31/03/2020
Current tax expense	-	-
Deferred tax expense	(152.08)	(98.17)
<b>Total income tax expense recognised in statement of Profit &amp; Loss</b>	<b>(152.08)</b>	<b>(98.17)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:**

Particulars	As at 01-Apr-20	Provided during the Year	As at 31-Mar-21
<b>Deferred tax liability:</b>			
Related to Fixed Assets	1,022.21	20.00	1,042.21
Others	-	-	-
<b>Total deferred tax liability (A)</b>	<b>1,022.21</b>	<b>20.00</b>	<b>1,042.21</b>
<b>Deferred tax assets:</b>			
Unabsorbed Depreciation Loss pertains to FY 2019-20	26.05	(1.41)	24.64
Unabsorbed Depreciation Loss pertains to FY 2020-21	-	173.49	173.49
MAT Credit Entitlement	623.06	-	623.06
Disallowances under Income Tax Act	-	-	-
Others	-	-	-
<b>Total deferred tax assets (B)</b>	<b>649.11</b>	<b>172.08</b>	<b>821.19</b>
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>373.10</b>	<b>(152.08)</b>	<b>221.02</b>



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 28 Employee benefits**

**Defined Contribution Plans - General Description**

Provident Fund: During the year, the company has recognised Rs. 2.68 lakhs (2019-20: Rs. 2.73 lakhs) as contribution to Employee Provident Fund in the Statment of Profit and Loss.

**Defined Benefit Plans - Gratuity**

The Company has defined benefit Gratuity plan for its employees where provision has been made based on actuarial working. Gratuity is computed as 15 days last drawn salary, for every completed year of service or part there of in excess of 6 months and is payable on retirement/ termination/ resignation. The benefit vests on the employee completing 5 years of service. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

During the year company has made provision of Rs. 2.43 lakhs based on actuarial valuation as below.

Particulars	31/03/2021	31/03/2020
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at the beginning of the year	12.65	
Current service cost	1.59	12.65
Interest cost	0.85	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations - OCI	(0.90)	-
Past Service Cost	-	-
<b>Defined benefit obligation at the end of the year</b>	<b>14.18</b>	<b>12.65</b>

Changes in the fair value of plan assets are, as follows:

	31/03/2021	31/03/2020
Fair value of plan assets at the beginning of the year	-	-
Contribution during the year	-	-
Benefits paid	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan asset	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>0.00</b>	<b>0.00</b>

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

	31/03/2021	31/03/2020
Fair value of plan assets	-	-
Defined benefit obligation	-	-
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(14.18)</b>	<b>(12.65)</b>
Current	(0.61)	(0.53)
Non Current	(13.57)	(12.13)



**Amount recognised in Statement of Profit and Loss:**

	<b>31/03/2021</b>	<b>31/03/2020</b>
Current service cost	1.59	12.65
Interest expense	0.85	-
Expected return on plan asset	-	-
Past Service Cost	-	-
<b>Amount recognised in Statement of Profit and Loss</b>	<b>2.43</b>	<b>12.65</b>

**Breakup of actuarial gain/(loss)**

	<b>31/03/2021</b>	<b>31/03/2020</b>
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial gain/(loss) arising on defined benefit obligation	-	-
Actuarial gain/(loss) arising from changes in financial assumptions	(0.39)	-
Actuarial gain/(loss) arising from experience adjustments	(0.51)	-
Actuarial gain/(loss) arising from experience adjustments	-	-
<b>Amount of gain/(loss) recognised in other comprehensive income</b>	<b>(0.90)</b>	<b>0.00</b>

**The major categories of plan assets are as follows:****Gratuity****Investment Details**

Investment with Gratuity funds

	<b>31/03/2021</b>	<b>31/03/2020</b>
	<b>Funded</b>	<b>Funded</b>
Investment with Gratuity funds	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	<b>31/03/2021</b>	<b>31/03/2020</b>
Discount rate	6.91%	6.70%
Expected rate of return on Plan assets	-	-
Future salary increases	10.00%	10.00%
Attrition Rate	-	-
18.-30 Years	7.00%	7.00%
30-44 Years	5.00%	5.00%
44-58 Years	5.00%	5.00%
Retirement age	58 years	58 years
Mortality	2012-2014	2012-2014



A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Gratuity Plan	Sensitivity level	31/03/2021	31/03/2020
<b>Assumptions</b>			
Discount rate	+1%	(1.67)	(1.55)
	-1%	1.98	1.85
Future salary increases	+1%	1.90	1.78
	-1%	(1.64)	(1.52)

The following payments are expected contributions to the defined benefit plan in future years (in absolute terms i.e. undiscounted):

	31/03/2021	31/03/2020
Within the next 12 months (next annual reporting period)	0.62	0.53
Between 2 and 5 years	3.35	2.97
Beyond 5 years to 10 Years	7.85	7.08
<b>Total expected payments</b>	<b>11.83</b>	<b>10.58</b>



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No 29 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	31st March 2021	31st March 2020
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	601.70	229.65
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	-	-

**# Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.**





## COSA CERAMICS PVT. LTD.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (Amount in Rupees Lakhs, unless otherwise stated)

#### Note No. 30 Segment Reporting

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



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 31 Related party disclosures**

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

<b>Name of the related party</b>	<b>Relationship</b>
Kishorbhai G Patel	Director
Krishnabhai G Patel	Director
Bharatbhai L Vadaliya	Director
Ashvinbhai M Patel	Director
Vishal Rastogi	Director
Ramkishan Sharma	Director
Maganlal Mavjibhai Gami	Director
Bhupendra Goverdhanlal Vyas	Director
Chandubhai Bhagwanbhai Patel	Director
Kajaria Ceramics Limited	Parent/holding company
Amar Ceramics Industries	Associate Enterprise
Solar Ceramic Private Limited	Associate Enterprise
Jaxx Vitrified Private Limited	Associate Enterprise
Gryphon Ceramics Private Limited	Associate Enterprise
Morbi Industrial Adviser	Associate Enterprise
Taurus Tiles Private Limited	Associate Enterprise
Clayman worldwide LLP	Associate Enterprise

**Relationship**

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

**Transactions during the period/ year:**

**A Holding Company**

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Sale of goods (net of all kind of discounts)	7,033.10	12,201.05
Sale of capital goods	13.99	38.30
Interest on Unsecured loan	69.27	32.55
Purchase of Stores	4.20	-
Purchase of capital goods	-	37.98

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

**Transactions during the period/ year:**

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Salary	202.03	316.20
Interest on unsecured loans	29.63	25.85



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

	31-Mar-21	31-Mar-20
Management consultancy fees	168.00	270.00
Sale of goods	122.74	307.36
Purchase of Stores and Raw Material	78.83	91.12
Purchase of capital goods	4.43	-

**D Outstanding balance Debit/ (Credit) of Related party transactions**

Particulars	31-Mar-21	31-Mar-20
	539.85	(475.72)
Sale of Goods (net of all discounts) - holding company		
Sale of Goods - associate	72.02	55.05
Purchase of Raw Material - Associate Enterprise	(3.29)	-
Salary	12.71	17.76
Unsecured Loan Payable - Holding Company	(925.00)	(500.00)
Unsecured Loan Payable - KMPs	(469.36)	(285.09)

**Terms and conditions of transactions with related parties**

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No : 32 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 of which carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at 31-Mar-21	As at 31-Mar-20	As at 31-Mar-21	As at 31-Mar-20
<b>Financial assets</b>				
Loans	3.42	110.10	3.42	110.10
<b>Total</b>	<b>3.42</b>	<b>110.10</b>	<b>3.42</b>	<b>110.10</b>
<b>Financial liabilities</b>				
Fixed rate borrowings	-	-	-	-
Floating rate borrowings	2,419.42	1,184.44	2,419.42	1,184.44
<b>Total</b>	<b>2,419.42</b>	<b>1,184.44</b>	<b>2,419.42</b>	<b>1,184.44</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.



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 33 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 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.



**COSA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**  
(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 34 Financial risk management objectives and policies**

**Financial Risk Management Framework**

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

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

**A. Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, 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. 1250.58 Lakhs, Rs. 232.92 Lakhs as of March 31, 2021, March 31, 2020 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

Year ended 31st March 2021

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Borrowings*	2,006.92	34.38	103.13	1,806.86	-	3,951.28
Trade and other payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Year ended 31st March 2020						
Borrowings*	1,182.41	113.10	339.30	787.13	-	2,421.93
Trade and other payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-

\* 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 31 March 2021 and 31 March 2020.

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 31 March 2021.

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 31 March 2021 and 31 March 2020 including the effect of hedge accounting

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term 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	Effect on profit before tax on account of	Total Effect	
		LOAN	WORKING CAPITAL	
31-Mar-21				
INR	+50	(1.96)	(4.97)	(6.94)
INR	-50	1.96	4.97	6.94
31-Mar-20				
INR	+50	(2.99)	(4.76)	(7.77)
INR	-50	2.99	4.76	7.77





The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, however company has applied for lower its current interest rate and same has been mentioned in sanction which is subject to approval of higher authority of bank.

**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.

	Change in USD rate	Effect on profit before tax INR Lacs
31-Mar-21	+5%	-
	-5%	-
31-Mar-20	+5%	-
	-5%	-
	Change in Euro rate	Effect on profit before tax INR Lacs
31-Mar-21	+5%	(9.41)
	-5%	9.41
31-Mar-20	+5%	-
	-5%	-



**COSA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**  
(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 35 Capital Management**

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

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 31st March 2021	At 31st March 2020
Borrowings	3,813.78	1,969.53
Other Liabilities	435.16	643.36
Trade and other payables	1,523.29	819.23
Less: Cash and short term deposits	152.43	11.99
<b>Net debts</b>	<b>5,619.80</b>	<b>3,420.13</b>
Equity	910.20	910.20
Other Equity	5,818.89	6,274.47
<b>Total Capital</b>	<b>6,729.10</b>	<b>7,184.68</b>
<b>Capital and net debt</b>	<b>12,348.89</b>	<b>10,604.80</b>
<b>Gearing ratio (%)</b>	<b>45.5%</b>	<b>32.3%</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 March 2021 and 31 March 2020.



**COSA CERAMICS PVT. LTD.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

(Amount in Rupees Lakhs, unless otherwise stated)

**Note No. 36 Commitments and Contingencies**

**A. Contingent Liabilities**

	<b>March 31, 2021</b>	<b>'March 31, 2020</b>
Sales Tax *	16.93	16.93
	<u>16.93</u>	<u>16.93</u>

\*Demand is for FY 2014-15 adjusted against carried forward amount in next year. Matter is pending before appellate authority.

**B. Commitments**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)
- ii) Other commitments :
  - Letter of credit opened in favour of overseas suppliers

	<b>March 31, 2021</b>	<b>'March 31, 2020</b>
	-	-
	-	-
	188.17	-
	<u>188.17</u>	<u>-</u>



**COSA CERAMICS PVT. LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021**

**Note No 37 Corporate Social responsibilities (CSR)**

As per section 135 of The companies Act, the company was required to spend towards CSR (corporate social responsibility) which was remained unspent till last year.

**Note No 38 Balance Confirmation**

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

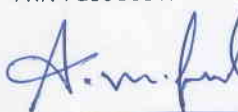
**Note No 39 Regrouping/Recasting**

Previous year figures have been regrouped and recasted wherever necessary.

**Note No 40 Approval of financial statements**

The financial statements for the financial year 2020-21 has been approved by board of directors on 11/05/2021


FOR A. M. FULETRA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 139863W




CA Akash M. Fuletra  
Proprietor  
M.No. 162458  
Place: Morbi  
Date: 11/05/2021



**For and on behalf of Board of Directors**

  
SHRI RAMKISHAN SHARMA  
Director  
DIN: 06746188

  
SHRI KISHORBHAI PATEL  
Director  
DIN: 00372816