P RAVINDRA VARMA
Chartered Accountant
Membership No. 215631

Independent Auditor's Report

To the Members of
KAJARIA FLOERA CERAMICS PRIVATE LIMITED

Report on the Financial Statements

I have audited the accompanying (Standalone) financial statements of **KAJARIA FLOERA CERAMICS PRIVATE LIMITED** ***("the Company")*** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the (Standalone) Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

P. Ravindra Varma

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

Flat No. 202, Kelam Classic Apts, # 78-2-18, Old Somalamma Temple St., Syamala Nagar, Rajahmundry - 533 103, E.G. Dist., A.P.
Ph : 0883 2433228, Cell : 9866424488, email : rvarmap.ca@gmail.com, prvarmaca@gmail.com

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Auditor's Responsibility

My responsibility is to express an opinion on these (Standalone) financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that i comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence i have obtained is sufficient and appropriate to provide a basis for my audit opinion on the (Standalone) financial statements

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid (Standalone) financial statements give the information required by 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 state of affairs of the Company as at March 31, 2018, and its Profit\Loss and its Cash Flow for the year ended on that date.

P. Ravindra Varma

RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the "***Annexure* A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, I report that:

   a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief are necessary for the purpose of my audit;

   b. In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   d. In my opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 my separate Report in **"Annexure B"**.

P. Ravindra Varma

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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 my opinion and to the best of my information and according to the explanations given to me:

   i. The Company does not have any pending litigations which would impact its financial position.

   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.

Date: 17-04-2018
Place: New Delhi

P. Ravindra Varma

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"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of my report of even date to the financial statements of the Company for the year ended March 31, 2018:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in my opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In my opinion and according to the information and explanations given to me, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

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6) As informed to me, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to me and on the basis of my examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to me, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to me, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In my opinion and according to the information and explanations given to me, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, I report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

P. Ravindra Varma

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12) In my opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In my opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In my opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

P. Ravindra Varma

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

Date: 17-04-2018
Place: New Delhi

P RAVINDRA VARMA
Chartered Accountant
Membership No-215631

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"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kajaria Floera Ceramics Private limited

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

I have audited the internal financial controls over financial reporting of Vision Automobiles Private Limited ("the Company") as of March 31, 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. 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 Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that i comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

P. Ravindra Varma

RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

P RAVINDRA VARMA
Chartered Accountant
Membership No. 215631

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

P. Ravindra Varma

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

P RAVINDRA VARMA
Chartered Accountant
Membership No. 215631

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018.

Date: 17-04-2018
Place: New Delhi

P. Ravindra Varma

P. RAVINDRA VARMA
M.No.215631
CHARTERED ACCOUNTANT

P RAVINDRA VARMA
Chartered Accountant
Membership No-215631

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KAJARIA FLOERA CERAMICS PVT LTD

BALANCE SHEET AS AT 31st March, 2018

Rs. In Lakhs

		NOTE	AS AT 31.03.2018	AS AT 31.03.2017
	ASSETS			
(1)	**Non-Current Assets**	3		
	(a) Property, Plant and Equipment	3.1	904.36	799.33
	(b) Capital Work-in-Progress	3.2	802.00	-
	(c) Investment Property			
	(d) Goodwill			
	(e) Other Intangible Assets			
	(f)Non Current Financial Assets	4		
	(i) Investments	4.1		
	(ii) Trade Receivables	4.2		
	(iii) Loans	4.3		
	(iv) Others (to be specified)	4.4		
	(g) Deferred Tax Assets (net)	5		
	(h) Other Non-Current Assets	6	282.82	64.55
			1,989.19	**863.88**
(2)	**Current assets**			
	(a) Inventories	7		
	(b) Current Financial Assets	8		
	(i) Investments	8.1		
	(ii) Trade Receivables	8.2		
	(iii) Cash and cash equivalents	8.3	77.12	82.88
	(iv) Bank balances other than (iii) above	8.4		
	(v) Loans	8.5	389.11	9.54
	(vi) Others (to be specified)	8.6		
	(c) Current Tax Assets (Net)	9	-	
	(d) Other Current Assets	10	5.95	-
			472.19	**92.42**
	TOTAL		**2,461.38**	**956.30**
	EQUITY AND LIABILITIES			
(1)	**Equity**	11		
	(a) Equity Share capital	11.1	1,000.00	1,000.00
	(b) Other Equity	11.2	63.62	
	(c) Reserves and Surplus	11.3	-48.51	-48.51
			1,015.11	**951.49**
(2)	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial Liabilities	12		
	(i) Borrowings	12.1		
	(ii) Trade payables	12.2		
	(iii) Other financial liabilities	12.3	1,400.00	
	(b) Provisions	13		
	(c) Deferred tax liabilities (Net)	14		
	(d) Other non-current liabilities	15	-	
			1,400.00	-
(3)	**Current liabilities**			
	(a) Financial Liabilities	16		
	(i) Borrowings	16.1		
	(ii) Trade payables	16.2	22.26	0.96
	(iii) Other financial liabilities	16.3		
	(b) Other current liabilities	17	24.01	3.30
	(c) Provisions	18	-	0.56
	(d) Current tax liabilities (Net)	19	-	-
			46.27	**4.81**
	TOTAL		**2,461.38**	**956.30**
	Note 1 : Significant Accounting Policies	1		
	Note 2: Critical Estimates and Judgements	2		

P. Ravindra Varma

P. RAVINDRA VARMA ★ M.No.215631 ★ CHARTERED ACCOUNTANT

P RAVINDRA VARMA
Chartered Accountant
Membership No.215631
Dt. 17.04.2018
Place: New Delhi

M.V. Visalakshi

M V VISALAKSHI
Director
DIN: 06982866

RAMKISHAN SHARMA
Director
DIN: 06746188

KAJARIA FLOERA CERAMICS PVT LTD ★ Thariparthi

KAJARIA FLOERA CERAMICS PVT LTD

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2018

		NOTE	YEAR ENDED ON 31.03.2018	YEAR ENDED ON 31.03.2017
			Rs. In Lakhs	Rs. In Lakhs
I	Revenue From Operations	20		
II	Other Income	21	0.07	26.08
III	Total Income (I+II)		**0.07**	**26.08**
IV	**EXPENSES**			
	Cost of materials consumed	22		
	Purchases of Stock-in-Trade	23		
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24		
	Employee benefit expense	25		
	Finance costs	26	0.07	
	Depreciation and amortization expense	3		
	Other expenses	27		23.28
	Total Expenses (IV)		**0.07**	**23.28**
V	Profit/(loss) before exceptional items and tax (I- IV)		**0.00**	2.80
VI	Exceptional Items			
VII	Profit/(loss) before tax (V-VI)		**0.00**	2.80
VIII	Tax expense:			
	(1) Current tax			0.56
	(2) Deferred tax			
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		**0.00**	**2.24**
X	Profit/(loss) from discontinued operations			
XI	Tax expense of discontinued operations			
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)			
XIII	Profit/(loss) for the period (IX+XII)			
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to PL			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to PL			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		-	-
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		-	0.00
	(2) Diluted		-	0.00
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		-	0.00
	(2) Diluted		-	0.00

P. Ravindra Varma M.No.215631 CHARTERED ACCOUNTANT

P RAVINDRA VARMA
Chartered Accountant
Membership No.215631
Dt. 17.04.2018
Place: New Delhi

M.V.Visalakshi

M V VISALAKSHI
Director
DIN: 06982866

RAMKISHAN SHARMA
Director
DIN: 06746188

KAJARIA FLOERA CERAMICS PVT LTD Thatiparthi

KAJARIA FLOERA CERAMICS PRIVATE LIMITED

SRIKALAHASTHI, ANDHRA PRADESH

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2018

S.NO	PARTICULARS	2017-18	2016-17
		₹ in Lakhs	₹ in Lakhs
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before Tax & extra ordinary items	-	2.80
	Adjustment for -	-	
	Add:- Depreciation	-	
	Interest Income	(0.07)	(26.08)
	Interest Cost/Finance costs	0.07	
	Less: Changes in Defered Tax and Mat Credit		
	Operating profit before working capital changes	-	(23.28)
	(Increase) / Decrease in Other Current Assets	(5.95)	0.98
	(Increase) / Decrease in Short term loans & Advances	(379.57)	
	(Increase) / Decrease in other Non-Current Assets	(218.95)	(59.83)
	(Increase) / Decrease in Trade Receivables	-	
	(Increase) / Decrease in Inventory	-	
	(Increase) / Decrease in Long term loans & Advances	-	
	(Decrease) / Increase in Provisions		
	(Decrease) / Increase in current liabilities	20.77	(0.31)
	(Decrease) / Increase in Trade Payables	21.30	0.96
	Less:- Income tax paid	-	
	Net cash from operating activities (A)	(562.40)	(81.48)
B)	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets including CWIP	(907.04)	(788.08)
	Increase / (Decrease) in Non-currentAssets	-	
	Increase /(Decrease) in Receivables		
	Other Current Assets (Increased)/Decreased	-	
	Increase in Advances		
	Increase / (decrease) in Deposits		
	Increase in Statutory Receivables		
	Interest Received		26.08
	Decrease / Increase in Misc Expenditure	0.07	
	Net cash from in Investing activities (B)	(906.98)	(762.00)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from short term loans		
	Proceeds from short term loans/Repayment of Loans	-	
	Proceeds from Long term loans/Repayment of Loans	1,400.00	
	Proceeds from issue of Share Capital		
	Proceeds From Share Application Money	63.62	(275.12)
	Interest Paid		
	Increase/Decrease in Cash Credit		
	Net Cash from Financing Activities (C)	1,463.62	(275.12)
D)	**Net Increase / (decrease) in Cash & Cash Equivalents (A+B+C)**	(5.76)	(1,118.60)
	Opening Cash and Cash Equivalent	82.88	1,201.48
	Closing Cash and Cash Equivalent (Note 16)	77.12	82.88
E)	**Increase/(Decrease) in Cash & Cash Equivalents**	(5.76)	(1,118.60)
	Difference		-

The cash flow is prepared under indirect method as set out in Accounting Standard-3

P. Ravindra Varma

P Ravindra Varma
Chartered Accountant
Member ship No. 215631

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

Rajahmundry
Date: 17.04.2018

For and on behalf of the board

M.V. Visalakshi

M.V.VISALAKSHI
Director
DIN. 06982866

RAMKISHANSHARMA
Director
DIN.06746188

KAJARIA FLOERA CERAMICS PVT LTD Thatiparthi

KAJARIA FLOERA CERAMICS PRIVATE LIMITED
RAJAHMUNDRY, ANDHRA PRADESH

Notes to the Acccounts for the year ended 31st March, 2018

Rs. In Lakhs

	31.03.2018	31.03.2017
1 <u>Share Capital</u>		
Authorised		
2,50,00,000 Equity Shares of Rs.10/- each (Previous Year 1,00,00,000 Equity Shares of Rs.10/- each)	2,500	1,000
	2,500	1,000
Issued, Subscribed and Paid-up		
1,00,00,000 Equity Shares of Rs.10/- each fully paid up. 1,00,00,000 Equity Shares of Rs.10/- each fully paid up.	1,000	1,000
	1,000	1,000

a. **Reconciliation of the number of shares outstanding**

	No. of Shares	31.03.2018	No. of Shares	31.03.2017
Equity Shares				
Number of equity shares at the beginning of the Year	10,00,000	1,000	10,00,000	100
Equity shares issued during the year	-	-	-	-
Less Shares bought back during the year	-	-		
Number of equity shares at the end of the Year	**10,00,000**	**1,000**	**10,00,000**	**1,000**
b. **Terms and rights attached to equity shares**				
The Company has only one class of equity shares having a face value of Rs10 per share. Each holder of the equity shares is entitled to one vote per share				
c. **Shares held by holding/ ultimate holding company and/or their subsidiaries/ associates**				
Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as as below:				
Equity shares held by Holding company Nil				
d. **Aggregate number shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**	Nil		Nil	
e. **Aggregate number of Bonus shares issued during the period of five years immediately preceding the reporting date**	Nil		Nil	
f. **Details of shareholders holding more than 5% shares in the company**				
Kajaria Ceramics Ltd				
Kajaria Ceramics Ltd	0.70	700.00	51.00%	510.00
Amit Chaturvedi			8.2%	82.89
Ruchita Chaturvedi				
M Rama Raju	0.06	60.00	6.00%	60.00
M V Visalakshi				

P. RAVINDRA VARMA
M.No.215631
CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PRIVATE LIMITED

Notes to the Accounts for the year ended 31.03.2018

2	**Reserves and Surplus**						Rs. In Lakhs
		31.03.2018		31.03.2017		31st March, 2016	
	Other Reserves:						
	General Reserve			0.00		0.00	
	As per last Balance Sheet			0.00		0.00	
	Surplus as per Profit and Loss account						
	As per last Balance Sheet	-48.51		-50.75		0.00	
	Add: Profit / (Loss) for the year	0.00	-48.51	2.24	-48.51	-38.46	-38.46
			-48.51		-48.51		-38.46

P. RAVINDRA VARMA
M.No. 215631
CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

NOTES ON ACCOUNTS AS ON 31.03.2018

3 NON CURRENT ASSETS

3.1 PROPERTY , PLANT & EQUIPMENT

Rs. In Lakhs

	GROSS BLOCK							DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Revaluation (Note 1)	on Amalgam	Additions	Deletion/ Adjustments	Impairment during the year	**As at 31.03.2018**	As at 01.04.2017	For the year	Deletion/ Adjustments	**As at 31.03.2018**	**As at 31.03.2018**	As at 31.03.2017
Computers	2.71			0.96	-		3.67	-	-	-	-	3.67	2.71
Software	-			-	-		-	-	-	-	-	-	-
Plant and Equipment	6.32			3.72	-		10.04	-	-	-	-	10.04	6.32
Furniture and Fixture	9.75			0.46	-		10.20	-	-	-	-	10.20	9.75
Office Equipments:	4.18			-	-		4.18	-	-	-	-	4.18	4.18
Land	776.37			98.93	-		875.30	-	-	-	-	875.30	776.37
Finance Lease				-			-				-	-	-
Others				-			-				-	-	-
Communication Equip	-			-	-		-	-	-	-	-	-	-
Vehicle				0.98	-		0.98	-	-	-	-	0.98	-
	799.33	-	-	**105.04**	-		**904.36**	-	-	-	-	**904.36**	**799.33**
Previous Year	-			-	-		-	-	-	-	-	-	-

3.2 CAPITAL WORK IN PROGRESS (CWIP)

Rs. In Lakhs

	GROSS BLOCK							DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Revaluation (Note 1)	on Amalgamation	Additions	Deletion/ Adjustments	Impairment during the year	**As at 31.03.2018**	As at 01.04.2017	For the year	Deletion/ Adjustments	**As at 31.03.2018**	**As at 31.03.2018**	As at 31.03.2017
Buildings				44.78			44.78				-	44.78	
Electrical				22.08			22.08				-	22.08	
Site Development				395.13			395.13				-	395.13	
Water works	-	-	-	340.02	-	-	340.02	-	-	-	-	340.02	-
Unallocated Overhead				-			-					-	-
		-	-	**802.00**	-		**802.00**	-	-	-	-	**802.00**	-
Previous Year	-						-						-

M.No.215631 CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

NOTES ON ACCOUNTS AS ON 31.03.2018

4. **NON CURRENT FINANCIAL ASSETS**

4.1 **INVESTMENTS**

Rs. In Lakhs

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

4.2 **TRADE RECEIVABLES**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

4.3 **LOANS**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

4.4 **OTHER NON CURRENT FINANCIAL ASSETS**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

5. **DEFERRED TAX ASSETS (NET)**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

6. **OTHER NON CURRENT ASSETS**

	AS AT 31.03.2018	AS AT 31.03.2017
Pre Operative Expenses	278.63	59.83
TDS Receivable	4.19	4.72
TOTAL	**282.82**	**64.55**

P. RAVINDRA VARMA * M.No. 215631 * CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

NOTES ON ACCOUNTS AS ON 31.03.2018

CURRENT ASSETS

7. **INVENTORIES**

Rs. In Lakhs

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

8. **CURRENT FINANCIAL ASSETS**

8.1 **INVESTMENTS**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

8.2 **TRADE RECEIVABLES**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

8.3 **CASH AND CASH EQUIVALENTS**

	AS AT 31.03.2018	AS AT 31.03.2017
Balances with Banks:		
On Current accounts	76.82	76.03
On Unpaid dividend account	-	-
On Deposit account	-	-
On Margin money deposits	-	-
In Deposit account - more than 12 months maturity	-	-
Cheques on Hand	-	-
Cash on Hand	0.30	6.85
TOTAL	**77.12**	**82.88**

8.4 **BANK BALANCES (OTHER THAN 8.3 ABOVE)**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

8.5 **LOANS**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

P. RAVINDRA VARMA M.No. 215631 CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

NOTES ON ACCOUNTS AS ON 31.03.2018

8. **CURRENT FINANCIAL ASSETS**

8.5 LOANS

Rs. In Lakhs

	AS AT 31.03.2018	AS AT 31.03.2017
Loans & Advances	382.85	9.33
Others- Advances to Suppiers	6.26	-
Others	-	0.21
TOTAL	**389.11**	**9.54**

8.6 OTHER CURRENT FINANCIAL ASSETS

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

9. CURRENT TAX ASSETS (NET)

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

10. OTHER CURRENT ASSETS

	AS AT 31.03.2018	AS AT 31.03.2017
Accrued Income		
GST Input	4.74	
Deposits	1.21	-
TOTAL	**5.95**	-

P. RAVINDRA VARMA
M.No.215631
CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PRIVATE LIMITED
Notes to the Accounts for the year ended 31.03.2018

Note 11.2 : Other Equity

(Rs. In Lakhs)

Particulars	Amount
Share Application Money Pending Allotmnet	
As at 31st March 2018	63.62
As at 31st March 2017	0.00
As at 31st March 2016	275.00
Total Other Equity	
As at 31st March 2018	63.62
As at 31st March 2017	0.00
As at 31st March 2016	275.00

P. RAVINDRA VARMA
M.No. 215631
CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

NOTES ON ACCOUNTS AS ON 31.03.2018

LIABILITIES

Non-current liabilities

12 **(a) Financial Liabilities**

Rs. In Lakhs

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

12.1 **(i) Borrowings**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

12.2 **(ii) Trade payables**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

12.3 **(iii) Other financial liabilities (other than those specified in item (b), to be specified)**

	AS AT 31.03.2018	AS AT 31.03.2017
Unsecured Loans	1,400.00	
TOTAL	1,400.00	-

13 **(b) Provisions**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

14 **(c) Deferred tax liabilities (Net)**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

15 **(d) Other non-current liabilities**

Rs. In Lakhs

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

P. RAVINDRA VARMA
M.No.215631
CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

NOTES ON ACCOUNTS AS ON 31.03.2018

Current liabilities

16 **(a) Financial Liabilities**

Rs. In Lakhs

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

16.1 **(i) Borrowings**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

16.2 **(ii) Trade payables**

	AS AT 31.03.2018	AS AT 31.03.2017
Trade Payables	22.26	0.96
TOTAL	22.26	0.96

16.3 **(iii) Other financial liabilities (other than those specified in item (c))**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

P. RAVINDRA VARMA
M.No.215631
CHARTERED ACCOUNTANT

17 **(b) Other current liabilities**

	AS AT 31.03.2018	AS AT 31.03.2017
Current maturities of :	-	-
Long-term borrowings	-	-
Interest accrued but not due	-	-
Interest accrued and due	-	-
Advance received from Customers	-	-
Unpaid Dividends	-	-
Unpaid matured Debentures	-	-
Unpaid matured Fixed Deposits	-	-
Others:	-	-
Due to Directors	-	-
Security Deposit-Others/Retention Monies	-	-
Trade payables	-	
Salaries Payable	3.53	0.29
Labour Cess Payable	5.88	-
Legal and Professional Charges Payable	3.22	-
Expenses Reimbursable/Payable	2.60	0.10
Credit Card Bills Payable	0.28	-
Rent payable	1.37	0.50
Retainer Fee Payable	-	0.26
Other - Charges Payable		1.70
TDS Payable	7.13	0.45
TOTAL	**24.01**	**3.30**

18 **(c) Provisions**

	AS AT 31.03.2018	AS AT 31.03.2017
Provision For Taxation	-	0.56
Provision for Employee Benefits:	-	-
Provision for Gratuity	-	-
Provision for Leave Entitlement	-	-
Provision for Leave Travel Allowance	-	-
Others (specify nature)- Charges Payable	-	
TOTAL	-	**0.56**

19 **(d) Current tax liabilities (Net)**

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

P. RAVINDRA VARMA
M.No. 15631
CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

Notes on Accounts for the Year Ended 31.03.2018

20. REVENUE FROM OPERATIONS

Rs. In Lakhs

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

21. OTHER INCOME

	AS AT 31.03.2018	AS AT 31.03.2017
Interest Income	0.07	26.08
Income from Sundries		
Profit on Sale of Investments		
Discount		
Other Non Operating Income:		
TOTAL	**0.07**	**26.08**

22. COST OF MATERIALS CONSUMED

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

23. PURCHASE OF STOCK IN TRADE

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

24. CHANGES IN INVENTORIES

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

25. EMPLOYEE BENEFIT EXPENSE

	AS AT 31.03.2018	AS AT 31.03.2017
TOTAL	-	-

KAJARIA FLOERA CERAMICS PVT LTD

Notes on Accounts for the Year Ended 31.03.2018

26. **FINANCE COSTS**

Rs. In Lakhs

		AS AT 31.03.2018	AS AT 31.03.2017
	Interest Cost	0.01	
	Bank Charges	0.06	
	TOTAL	0.07	-

27. **OTHER EXPENSE**

		AS AT 31.03.2018	AS AT 31.03.2017
	Advertisement Expenses	0.47	**2.54**
	Printing & stationery	0.84	0.77
	Bank Charges	-	0.02
	Power and Fuel	4.02	0.54
	Rent	6.84	6.47
	Repairs and Maintenance:	-	-
	Computer	0.13	0.04
	Office	3.43	0.30
	Vehicles	3.71	-
	Room Maintenance	1.59	2.46
	Computer Software Expenses	0.13	0.54
	General Repairs and Maintenance	0.36	-
	Travelling and Conveyance	28.33	7.38
	Transortation and logistics charges	0.30	-
	Audtiors' Remuneration:	-	-
	Audit Fees including Limited Review Fees	2.50	0.50
	Other Services	2.40	-
	For Reimbursement of expenses	-	-
	Others	-	-
	Personnel and Administration	-	-
	Selling and Distribution	-	-
	Miscellaneous	0.02	-
	Business Promotion Expenses	0.41	-
	Pooja Expenses	0.21	0.00
	Cook SalaryCantten Expenses	4.78	1.49
	Entertainment Expenses	0.27	0.22
	Fees & License	0.34	-
	Internet & Telephone Charges	0.57	-
	Postage & Courier Expenses	0.03	0.01
	Loading & Unloading/Labour Charges	0.14	-
	Newspaper & Periodicals	0.02	0.02
	Rounding Off	0.00	-0.00
	Retainers Fee	1.95	-
	Conveyance	5.86	-
	Security Charges	0.30	-
	Interest cost to be capitalised	44.52	-
	Transfer to Unapportioned Capex Overhead	-114.45	-
		-	**23.28**

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

KAJARIA FLOERA CERAMICS PVT LTD

Break up of Pre-operative Expenses

Rs. In Lakhs

Particulars	AS AT 31.03.2018	AS AT 31.03.2017
Pre Operative Expenses Break up		
Bhoomi Pooja Exp	25.36	9.72
Retainers Fee	3.55	3.55
Canteen Expenses	1.01	1.01
Conveyance Expenses	1.64	1.64
Internet and Telephone Charges	0.57	0.57
Salaries	90.89	22.74
Site Formation Exp	3.54	3.54
Site Maintenance Exp	2.43	1.06
Fee and License	25.63	6.72
Project Report Charges	1.80	1.80
Transportation Charges	0.17	0.17
Vehicle Maintenance	0.22	0.22
Consultancy Fee	7.10	7.10
Temporary Structures	0.27	-
Unapportioned Overhead - Capex	114.45	-
TOTAL	**278.63**	59.83

P. RAVINDRA VARMA
M.No.215631
CHARTERED ACCOUNTANT

Accounting Policies under Ind AS
Standalone financial statements of Kajaria Floera Ceramics Private Limited for the year ended 31-March-2018

1. Corporate information

Kajaria Floera Ceramics Private Limited ("KFCPL" or "the company") is a private limited company domiciled in India and was incorporated on 14.10.2014. The company is subsidiary company of Kajaria Ceramics Limited.The registered office of the Company is located at S.No.129, Industrial Park, Bhavanishakarapuram, Thatiparthi Village, Thottambedu Mandal, Chittoor District, Andhra Pradesh 517642.

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

The financial statements of the company for the year ended 31st March 2018 were authorized for issue in accordance with a resolution of the directors on 17.04.2018

2. Significant accounting policies

2.1 Basis of preparation

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

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

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.
The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Significant accounting policies

a. Current versus non-current classification

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

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

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

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

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

The Company classifies all other liabilities as non-current.

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

b. Property, plant and equipment

i) Tangible assets

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

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

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

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

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

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

Particulars	Useful lives
------	------

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

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

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.

P. RAVINDRA VARMA M.No. 215631 CHARTERED ACCOUNTANT

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

c. Intangible Assets

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

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

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

d. Borrowing Costs

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

e. Impairment of non-financial assets

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

f. Inventories

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

g. Revenue Recognition

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

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

h. Foreign currency transactions

P. RAVINDRA VARMA M.No. 215631 CHARTERED ACCOUNTANT

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

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

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

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

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

i. Taxes on income

Current tax

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

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

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

Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

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

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

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

j. Employee benefits

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

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

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

k. Provisions, Contingent liabilities and Contingent assets

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

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

Contingent liability is disclosed in the case of:

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

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

l. Earnings per share

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

m. Cash and cash equivalents

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.

P. RAVINDRA VARMA M.No. 215631 CHARTERED ACCOUNTANT

n. Fair value measurement

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

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

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

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

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

o. Financial instruments

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

(a) Financial assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual

P. RAVINDRA VARMA M.No. 215631 CHARTERED ACCOUNTANT

terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

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

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.

P. RAVINDRA VARMA M.No.213631 CHARTERED ACCOUNTANT

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

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

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

Derecognition

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

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

2.3 Significant accounting judgements, estimates and assumptions

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

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

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

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur.

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

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

(a) Impairment of non-financial assets

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

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

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

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

P. RAVINDRA VARMA M.No.215631 CHARTERED ACCOUNTANT

(d) Impairment of financial assets

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

2.4 Standards Issued but not yet Effective

Ind - AS 115 "Revenue from Contract with Customers

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

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

Amendments to Ind AS 7 "Statement of cash flows"

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

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

P RAVINDRA VARMA Chartered Accountant Membership No.215631	M V VISALAKSHI Director DIN: 06982866	RAMKISHAN SHARMA Director DIN:06746188

Date: 17.04.2018
Place: New Delhi