

## Accounting Policies under Ind AS

### Standalone financial statements of Floera Ceramics Private Limited for the year ended 31-March-2017

#### 1. Corporate information

Floera Ceramics Private Limited ("FCPL" 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. The registered office of the Company is located at J-1/B-1 Extension, Mohan Coop Ind Estate, Mathura Road, New Delhi.

The Company has forayed into manufacturing and trading of floor tiles items. The plant of the company is being setup at Thottambedu Village, 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 2017 were authorized for issue in accordance with a resolution of the directors on 17th May, 2017.

#### 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 2016, 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 2017 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.

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



## Accounting Policies under Ind AS

### Standalone financial statements of Floera Ceramics Private Limited for the year ended 31-March-2017

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

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

#### ii) Capital work in progress

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

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

#### c. Intangible Assets

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

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

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

#### d. Borrowing Costs

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

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



## Accounting Policies under Ind AS

### Standalone financial statements of Floera Ceramics Private Limited for the year ended 31-March-2017

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

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.





## Accounting Policies under Ind AS

### Standalone financial statements of Floera Ceramics Private Limited for the year ended 31-March-2017

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

#### n. Fair value measurement

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

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

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

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

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

#### o. Financial instruments

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

##### (a) Financial assets

###### Classification

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

###### Initial recognition and measurement

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

###### Subsequent measurement

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

- Financial assets carried at amortised cost

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

- Financial assets at fair value through other comprehensive income

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



## Accounting Policies under Ind AS

### Standalone financial statements of Floera Ceramics Private Limited for the year ended 31-March-2017

- **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.

- **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.



## Accounting Policies under Ind AS

### Standalone financial statements of Floera Ceramics Private Limited for the year ended 31-March-2017

#### 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. 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.

**(d) Impairment of financial assets**

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

**2.4 Standards Issued but not yet Effective**

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

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

This standard will come into force from accounting period commencing on or after 1<sup>st</sup> April, 2018. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the





**Accounting Policies under Ind AS**

**Standalone financial statements of Floera Ceramics Private Limited for the year ended 31-March-2017**

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"**

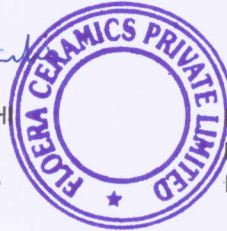
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between 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 1<sup>st</sup> April, 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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



*M.V. Visalaksh*  
M V VISALAKSH  
Director  
DIN: 06982866



RK SHARMA  
Director  
DIN:06746188

Date:  
Place:

Floera Ceramics Private Limited  
**BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2017**  
(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31st March 2016	As at 1 April 2015
<b>I ASSETS</b>				
<b>(1) Non-current assets</b>				
Property, plant and equipment	3	7.99	0.12	0.00
Capital work-in-progress		-	-	-
Other Intangible assets		-	-	-
Financial assets				
(i) Investments		-	-	-
(ii) Loans		-	-	-
Other non-current assets	5	0.65	0.05	0.02
<b>(2) Current assets</b>				
Inventories		-	-	-
Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Cash and cash equivalents	6	0.83	12.01	4.90
(iv) Other bank balances		-	-	-
(iv) Loans	4	0.10	0.10	-
(v) Others		-	-	-
Other current assets	5	-	-	0.04
<b>Total Assets</b>		<b>9.56</b>	<b>12.28</b>	<b>4.96</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
Equity share capital	7	10.00	10.00	0.09
Other Equity	8	0.48	2.24	4.83
Non controlling interest		-	-	-
<b>(2) LIABILITIES</b>				
<b>(a) Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings		-	-	-
(ii) Other financial liabilities		-	-	-
Provisions		-	-	-
Deferred tax liabilities (Net)		-	-	-
Other non current liabilities		-	-	-
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings		-	-	-
(ii) Trade Payables	9	0.02	-	0.04
(iii) Other financial liabilities		-	-	-
Provisions		-	-	-
Other current liabilities	10	0.02	0.04	0.00
<b>Total Equity and Liabilities</b>		<b>9.56</b>	<b>12.28</b>	<b>4.96</b>
Significant Accounting Policies	1 & 2			

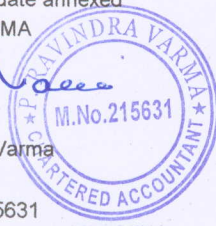
in terms of our report of even date annexed

FOR, P RAVINDRA VARMA

*P. Ravindra Varma*

Name : P Ravindra Varma  
Proprietor  
Membership No. 215631

Dt:



FOR AND ON BEHALF OF BOARD

*M. V. Visalakshi*

M V Visalakshi  
Director  
DIN: 06982866



Vishal Rastogi  
Director  
DIN: 05189357

Floera Ceramics Private Limited  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017**  
(Amount in Rupees crores, unless otherwise stated)

	Year ended	
	31 March 2017	31 March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	0.03	(0.38)
Adjusted for :		
Depreciation	-	-
Interest Income	(0.26)	-
Interest cost	-	-
	(0.26)	-
Operating Profit before Working Capital Changes	(0.23)	(0.38)
Adjusted for :		
Other financial assets	0.01	(0.10)
Trade Payable	0.02	(0.04)
Other liabilities	(0.02)	0.04
	0.01	(0.10)
Cash Generated from Operations	(0.22)	(0.49)
Interest Paid	-	-
Direct Taxes Paid	(0.61)	(0.03)
Exceptional / Extraordinary items	-	-
	(0.61)	(0.03)
<b>Net Cash from operating activities</b>	<b>(0.83)</b>	<b>(0.52)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(7.88)	(0.12)
Interest Received	0.26	-
Capital advance	0.01	-
<b>Net Cash used in Investing Activities</b>	<b>(7.61)</b>	<b>(0.12)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital / Application mone	(2.75)	7.71
<b>Net Cash flow from in Financing Activities</b>	<b>(2.75)</b>	<b>7.71</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(11.19)</b>	<b>7.08</b>
<b>Cash and Cash Equivalents as on 1.4.2015</b>	<b>11.97</b>	<b>4.90</b>
<b>Cash and Cash Equivalents as on 31.3.2016</b>	<b>0.79</b>	<b>11.97</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.07	0.02
Balance in current account with banks	0.76	11.99
	<b>0.83</b>	<b>12.01</b>

in terms of our report of even date annexed

FOR, P RAVINDRA VARMA

FOR AND ON BEHALF OF BOARD

*P. Ravindra Varma*  
Name : P Ravindra Varma  
Proprietor  
Membership No. 215631

*M.V. Visalakshi*

M V Visalakshi  
Director  
DIN: 06982866

Vishal Rastogi  
Director  
DIN:05189357

Dt:



Floera Ceramics Private Limited  
Statement of Profit and Loss for the year ended 31st March 2017  
(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2017	For the Year ended 31 March 2016
<b>I REVENUE</b>		-	-
Revenue from operations		-	-
Other income		-	-
Finance income	11	0.26	-
<b>Total Revenue (I)</b>		<b>0.26</b>	<b>-</b>
<b>II EXPENSES</b>			
Cost of material consumed		-	-
Purchases of stock in trade		-	-
Changes in inventories of finished goods, stock-in-trade and work in progress		-	-
Excise duty on sale of goods		-	-
Employee benefits expenses		-	-
Finance costs		-	-
Depreciation and amortization expenses		-	-
Other expenses	12	0.23	0.38
<b>Total expenses (II)</b>		<b>0.23</b>	<b>0.38</b>
<b>III Profit before exceptional items and tax from continuing operations (I-II)</b>		<b>0.03</b>	<b>0.38</b>
<b>IV Exceptional Items</b>		-	-
<b>V Profit/(loss) before tax from continuing operations (III-IV)</b>		<b>0.03</b>	<b>0.38</b>
<b>VI Tax expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>VII Profit (Loss) for the Year from continuing operations (V-VI)</b>		<b>0.03</b>	<b>0.38</b>
<b>IX Profit/ (loss) for the year (VII+VIII)</b>		<b>0.03</b>	<b>0.38</b>
<b>X Other Comprehensive Income</b>			
<b>A Items that will be reclassified to profit or loss</b>			
Other (specify nature)		-	-
Income tax effect		-	-
<b>B Items that will not be reclassified to profit or loss</b>			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect		-	-
Net (loss)/gain on FVTOCI equity securities		-	-
Income tax effect		-	-
<b>Total Comprehensive Income for the Year (IX + X)</b>		<b>0.03</b>	<b>0.38</b>
<b>XI (Comprising Profit (Loss) and Other Comprehensive Income for the Year)</b>		<b>0.03</b>	<b>0.38</b>
<b>Earnings per equity share for continuing operations</b>	13		
(1) Basic, computed on the basis of profit from continuing operations		0.28	(3.85)
(2) Diluted, computed on the basis of profit from continuing operations		0.28	(3.85)

Copy of even date annexed

FOR, P RAVINDRA VARMA

FOR AND ON BEHALF OF BOARD

*P. Ravindra Varma*  
  
 Name : P Ravindra Varma  
 Proprietor  
 Membership No. 215631  
 Dt:

*M.V. Visalakshi*  
  
 M V Visalakshi  
 Director  
 DIN: 06982866  
 Vishal Rastogi  
 Director  
 DIN:05189357

Floera Ceramics Private Limited  
Statement of Changes in Equity for the year ended 31 March 2017  
(Amount in Rupees crores, unless otherwise stated)

Equity share capital

31 March 2017    31 March 2016

Issued, subscribed and paid up capital (Refer note 11)

Opening balance	10.00	0.09
Changes		9.91
Closing balance	10.00	10.00

Other equity

Particulars	Share application	Reserves and Surplus		Items of OCI	Total equity
		Retained earnings	Re-measurement gains/ (losses) on defined benefit plans		
<b>As at 1 April 2015</b>	4.95	-	0.12	0	4.83
Additions	-	2.20	-	-	2.20
Net income / (loss) for the year	-	-	0.38	-	0.38
Other comprehensive income (Note XX)	-	-	-	-	-
<b>Total comprehensive income</b>	-	<b>2.20</b>	<b>0.38</b>	-	<b>2.58</b>
					-
<b>At 31 March 2016</b>	2.75	-	0.51	-	2.24
Net income / (loss) for the year	-	2.75	0.03	-	2.72
Other comprehensive income (Note XX)	-	-	-	-	-
<b>Total comprehensive income</b>	-	<b>2.75</b>	<b>0.03</b>	-	<b>2.72</b>
					-
<b>At 31 March 2017</b>	-	-	0.48	-	0.48

in terms of our report of even date annexed  
FOR, P RAVINDRA VARMA

*P. Ravindra Varma*  
Name : P Ravindra Varma  
Proprietor  
Membership No. 215631



Dt:

FOR AND ON BEHALF OF BOARD

*M.V. Visalakshi*

M V Visalakshi  
Director  
DIN: 06982866



Vishal Rastogi  
Director  
DIN:05189357

Floera Ceramics Private Limited  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**  
 (Amount in Rupees crores, unless otherwise stated)

Note 3 : Property Plant and Equipment

Cost or Valuation	Plant and machinery	Furniture & fixtures	Office equipments	Computers	Total
At 1 April 2015	-	-	-	-	0.00
Additions	0.00	0.09	0.03	-	0.12
Disposal	-	-	-	-	-
Exchange differences	-	-	-	-	-
As 31 March 2016	0.00	0.09	0.03	-	0.12
Additions	7.76	0.01	0.08	-	7.88
Disposal	-	-	-	-	-
Exchange differences	-	-	-	-	-
As 31 March 2017	7.76	0.10	0.10	-	7.99
Depreciation and impairment					
At 1 April 2015	-	-	-	-	-
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Exchange differences	-	-	-	-	-
As 31 March 2016	-	-	-	-	-
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Exchange differences	-	-	-	-	-
As 31 March 2017	-	-	-	-	-
Net book value					
31 March 2017	7.76	0.10	0.10	-	7.99
31 March 2016	0.00	0.09	0.03	-	0.12
01 April 2015	0.00	0.00	0.00	-	0.00

in terms of our report of even date annexed

FOR: P RAVINDRA VARMA

*P. Ravindra Varma*  
 Name : P Ravindra Varma  
 Proprietor

Membership No. 215631



FOR AND ON BEHALF OF BOARD



*M.V. Visalakshi*

M V Visalakshi  
 Director  
 DIN: 06982866

Vishal Rastogi  
 Director  
 DIN:05189357

Floera Ceramics Private Limited  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH ;  
 (Amount in Rupees crores, unless otherwise stated)

Financial Assets	Non-Current		Current	
	31 March 2017	31 March 2016	01 April 2015	31 March 2016
<b>Note 4:- Financial Assets</b>				
<b>Advances recoverable in cash or kind</b>				
<b>Unsecured</b>				
Considered good	-	-	-	0.10
Considered doubtful	-	-	-	-
Less: provision for doubtful advances	-	-	-	-
<b>Total advances recoverable in cash or kind</b>	-	-	0.10	0.10
	-	-	0.10	0.10
<b>Note 5: Loans</b>				
<b>Other assets</b>				
<b>Capital advances</b>				
<b>Unsecured</b>				
Considered good	-	0.01	0.01	-
Considered doubtful	-	-	-	-
Less: provision for doubtful deposits	-	-	-	-
<b>Total capital advances</b>	-	0.01	0.01	-
	-	0.01	0.01	-
Prepaid expenses	-	-	-	-
Advance to gartuity trust	-	-	-	-
Advance tax	0.05	0.04	0.01	-
Miscellaneous expenses to the extent not written off	0.60	-	-	-
Preliminary expenses	-	-	-	-
Interest Accrued on Term Deposit	-	-	-	0.04
Balance with statutory authorities	-	-	-	-
<b>Total</b>	<b>0.65</b>	<b>0.05</b>	<b>0.02</b>	<b>0.04</b>



**Floera Ceramics Private Limited**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**  
**(Amount in Rupees crores, unless otherwise stated)**

Note 6: Cash and cash equivalent

**Cash and cash equivalent**

<b>Particulars</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>01 April 2015</b>
Balance with banks			
- In current accounts	0.76	11.99	4.90
- Deposit with original maturity of less than 3 months		-	-
Cheques, drafts on hand			-
Cash on hand	0.07	0.02	-
	<u>0.83</u>	<u>12.01</u>	<u>4.90</u>

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

<b>Particulars</b>			
Balance with banks			
- In current accounts	0.76	11.99	-
- Deposit with original maturity of less than 3 months		-	-
Cheques, drafts on hand			-
Cash on hand	0.07	0.02	-
	<u>0.83</u>	<u>12.01</u>	<u>-</u>

**Break-up of the financial assets carried at amortised cost :**

Cash and bank balances	0.83	12.01	4.90
<b>Total</b>	<u><b>0.83</b></u>	<u><b>12.01</b></u>	<u><b>4.90</b></u>





**Floera Ceramics Private Limited**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**  
**(Amount in Rupees crores, unless otherwise stated)**

**Note 7: Share Capital**

a) **Particulars**  
 Authorised Share Capital  
 Equity share capital  
 10000000 (March 31, 2016: 10000000, April 01, 2015 : 100000) equity shares of Rs. 100 each.

	31 March 2017	31 March 2016	01 April 2015
	10.00	10.00	0.10
Total	10.00	10.00	0.10

b) Issued, subscribed and paid up capital  
 Equity share capital  
 10000000 (March 31, 2016: 10000000, April 01, 2015 : 9000) equity shares of Rs. 100 each.

	31-Mar-17	31-Mar-16	01-Apr-15
	10	0.09	-
		9.91	0.09
		10	0.09

d) Reconciliation of number of shares outstanding and the amount of share capital  
**Equity share capital**

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Number of shares			
Shares outstanding at the beginning of the year	10,00,000.00	10,00,000.00	-
Shares issued during the year	0	-	10,00,000.00
Shares outstanding at the end of the year		10000000	
Particulars			
Amount of share capital	42,825.00	42,460.00	42,095.00
Shares outstanding at the beginning of the year	10,00,00,000.00	10,00,00,000.00	-
Shares issued during the year	0	-	10,00,00,000.00
<b>Shares outstanding at the end of the year</b>	1000000000	1000000000	1000000000

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 100/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

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

Particulars	31-Mar-17	% of holding	31-Mar-16	% of holding
Equity shares of INR 100 each fully paid up	510000	51%	5,10,000	51%
Kajaria Ceramics Limited	78000	8%	78000	8%
Amit Chaturvedi	60000	6%	60000	6%
Ruchita Chaturvedi				
M Rama Raju				



Floera Ceramics Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Rupees crores, unless otherwise stated)

Note 8: Other Equity

Particulars	Rs in Lakhs
	Amount
<b>a) Retained earnings</b>	
At 01 April 2015	-0.12
Add: Acquisition during period	0.00
Profit/(loss) during the period	-0.38
At 31 March 2016	-0.51
Profit/(loss) during the period	0.03
Closing balance	<u><u>-0.48</u></u>
<b>b) Share application money pending allotment</b>	
As at 31 March 2017	-
As at 31 March 2016	2.75
As at 01 April 2015	4.95
<b>Total other equity at</b>	
As at 31 March 2017	- 0.48
As at 31 March 2016	2.24
As at 01 April 2015	4.83



Floera Ceramics Private Limited  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
 (Amount in Rupees crores, unless otherwise stated)

	31 March 2017	Non-Current 31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
<b>Financial Liabilities</b>						
Note : 9 Trade Payable						
Trade payables						
<b>Trade Payable:</b>						
Dues of Micro, Small and Medium Enterprises	-	-	-	0.02	-	-
Dues to others	-	-	-	0.02	-	0.04
						0.04
Note : 10 Other Liabilities						
<b>Other liabilities</b>						
Unpaid dividend	-	-	-	-	-	-
Provision for expenses	-	-	-	0.02	0.02	-
Advance from Customers	-	-	-	-	-	-
Statutory Dues Payable	-	-	-	0.00	0.02	0.00
				0.02	0.04	0.00



**Floera Ceramics Private Limited**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**  
**(Amount in Rupees crores, unless otherwise stated)**

**Revenue from operations**

**Note 11: Finance Income**

Particulars	31 March 2017	31 March 2016
Interest Income on:		
- From short term investments		
-From banks on FDRs		
-From others	0.26	-
	<u>0.26</u>	<u>-</u>

**Note 12 : Other expenses**

Particulars	31 March 2017	31 March 2016
Advertisement & Sales Promotion Expenses	0.03	-
Bank charges	0.00	-
Communication Expense	-	-
Computer Software Expenses	0.01	-
Cook cost	0.01	-
Electricity	0.01	-
Repairs and maintenance:		
- Building	0.03	-
- Machinery	0.00	-
- Others	-	-
Fee and License	-	-
Payment to Auditors:	0.01	
As Auditor:		
Audit fees		-
Tax Audit fee		-
Other matters		-
Pooja expense	-	-
Printing & Stationary	0.01	-
Project Report Charges	-	-
Rent	0.06	
Retainers Fee	-	
Site Formation Exp	-	
Travelling & Conveyance Expense	0.07	
Consultancy	-	-
Miscellaneous expenses	0.00	0.38
	<u>0.23</u>	<u>0.38</u>



Floera Ceramics Private Limited  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
 (Amount in Rupees crores, unless otherwise stated)

Earning per share

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

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

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

Particulars	31 March 2017	31 March 2016
<b>Profit attributable to equity holders of the Company:</b>		
Continuing operations	0.03 -	0.38
Discontinued operations		-
<b>Profit attributable to equity holders for basic earnings</b>	<b>0.03 -</b>	<b>0.38</b>
Dilution effect		-
<b>Profit attributable to equity holders adjusted for dilution effect</b>	<b>0.03 -</b>	<b>0.38</b>
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	0.10	0.10
	-	

\* 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	0.28	(3.85)
Diluted	0.28	(3.85)

**Earning Per Share - Discontinued operations**

Basic		-
Diluted		-

<b>Face value per share (Rs)</b>	100	100.00
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Floera Ceramics Private Limited  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
 (Amount in Rupees crores, unless otherwise stated)

**Related party disclosures**

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

Name of the related party	Relationship
Kajaria Ceramics Limited	Holding Company
Amit Hridaynath Chaturvedi	Director
Vishal Rastogi	Director
Ramkishan Rastogi	Director
Venkata Visalakshi Menthena	Director

**A Relationship Relatives of Key Management Personnel where transaction has taken place**

Transactions during the period/ year:	31-Mar-17	31-Mar-16
-	NIL	NIL
Closing Balances - Debit/ (Credit)	31-Mar-17	31-Mar-16
		01-Apr-15

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

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. 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 2016, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil, 1 April 2016: Nil). 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.

Note:- An entity shall disclose key management personnel compensation in total and for each of the following categories:  
 (a) short-term employee benefits;  
 (b) post-employment benefits;  
 (c) other long-term benefits;  
 (d) termination benefits; and  
 (e) share-based payment.



Floera Ceramics Private Limited  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
 (Amount in Rupees crores, unless otherwise stated)

**Capital Management**

The objective of the company's capital Management structure is to ensure that there remains sufficient liquidity within the company to carry out committed work programme requirements. The company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective & to Maintain flexibility.

"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.

	At 31 March 2017	At 31 March 2016
Borrowings	-	-
Other Liabilities	-	-
Trade and other payables	0.02	-
Less: Cash and short term deposits	0.83	12.01
<b>Net debts</b>	<b>(0.81)</b>	<b>(12.01)</b>
Equity	10.00	10.00
Other Equity	(0.48)	2.24
<b>Total Capital</b>	<b>9.52</b>	<b>12.24</b>
<b>Capital and net debt</b>	<b>8.71</b>	<b>0.23</b>
<b>Gearing ratio (%)</b>	<b>0.0%</b>	<b>0.0%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.



**Floera Ceramics Private Limited**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**  
**(Amount in Rupees crores, unless otherwise stated)**

**Segment information**

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. In Floera Ceramics Private Limited, the decision makers view the operating results internal division wise (Ceramic, Glazed, Polished). Accordingly, such segments may be presented under Ind AS 108. However, these segments have been aggregated because the core principles, economic characteristics, nature of products, production process, distribution method, regulatory environment and type of customers in all the divisions are similar. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" is not considered applicable.





Floera Ceramics Private Limited  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
 (Amount in Rupees crores, unless otherwise stated)

**Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

	Carrying value		Fair value	
	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-17	As at 31-Mar-16
Financial assets				
Loans	0.10	0.10	0.10	0.10
Cash and cash equivalents	0.83	12.01	0.83	12.01
Others	-	-	-	-
<b>Total</b>	<b>0.92</b>	<b>12.12</b>	<b>0.92</b>	<b>12.12</b>
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade payables	0.02	-	0.02	-
<b>Total</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>	<b>-</b>

Financial liabilities

Financial liabilities measured at amortised cost

Trade payables

**Total**

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.

The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurements of all assets and liabilities is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate the fair values:

- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.



Floera Ceramics Private Limited  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
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Fair hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

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 input which has a significant effect on fair value measurement is not based on observable market data.



Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

Market risk is the risk that the fair value of 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.

A. 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. Since the Company does not have exposure to debt obligations with floating interest rates, it is not exposed to interest rate risk.

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Since, the Company does not have any outstanding foreign currency balances at the year end, it is not exposed to foreign currency sensitivity risk.

II. 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. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities.

Credit risk is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Company does not have any significant concentrations of bad debt risk.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note "Fair value". The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. 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.

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

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

	(Rs. In crores)					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Year ended</b>						
<b>31-Mar-17</b>						
Trade payables					-	-
	-	-	-	-	-	-
<b>Year ended</b>						
<b>31-Mar-16</b>						
Trade payables					-	-
	-	-	-	-	-	-
<b>As at 1 April 2015</b>						
Trade payables					-	-
	-	-	-	-	-	-

IV. 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.

The Company's marketing facilities are situated in different geographies. Similarly the distribution network is spread PAN India.



Floera Ceramics Private Limited  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
(Amount in Rupees crores, unless otherwise stated)

**Deferred Tax Liability/ Assets**

Deferred Tax arises because of difference in treatment between financial accounting and tax accounting, known as "Timing Differences". The tax effect of these timing differences is recorded as "Deferred Tax Assets" (generally items that can be used as a tax deduction or credit in future periods) and "Deferred Tax Liabilities" (generally items for which the company has received a tax deduction but has not recorded in the statement of income).

The deferred tax asset arising during the year has been set off to the extent of deferred tax liability and resulting Net Deferred Tax Asset has not been recognized in term of prudence norms and conservative view with regard to certainty of virtual profitability in future years



Floera Ceramics Private Limited  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
(Amount in Rupees crores, unless otherwise stated)

**First time adoption of Ind AS**

With effect from date of incorporation, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

**Exemptions applied:**

**Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind**

**1. Mandatory exceptions;**  
**a) Estimates**

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- ▶ FVTOCI – Quoted and unquoted equity shares.
- ▶ Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

**b) Derecognition of financial assets:**

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.



**c) Classification and measurement of financial assets:**

- i. Financial Instruments: (Loan to employees, Security deposits received and security deposits paid) : Financial assets like loan to employees, security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.
- ii. Financial Instruments: (Equity shares (other than investment in subsidiary, associates and JVs): The Company has designated unquoted and quoted equity instruments held at 1 April 2015 as fair value through OCI investments.

**d) Impairment of financial assets: (Trade receivables and other financial assets)**

At the date of transition to Ind ASs, the Company has determined that assessing whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, hence the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

**2. Optional exemptions;**

**a) Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)**

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

**b) Arrangements containing a lease:-**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.



Floera Ceramics Private Limited  
 BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2017  
 (Amount in Rupees crores, unless otherwise stated)

Reconciliation of equity as at 01 April 2015

Particulars	Indian GAAP As at 1 April 2015	Ind AS adjustments	Ind AS As at 1 April 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other non-current assets	0.02	-	0.02
<b>Current assets</b>			
Financial assets			
(i) Cash and cash equivalents	4.90	-	4.90
(iii) Others	0.04	-	0.04
<b>Total Assets</b>	<b>4.96</b>	<b>-</b>	<b>4.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	0.09	-	0.09
Other Equity	4.83	-	4.83
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade Payables	0.04	-	0.04
Other current liabilities	0.00	-	0.00
<b>Total Equity and Liabilities</b>	<b>4.96</b>	<b>-</b>	<b>4.96</b>



**Reconciliation of equity as at 31 March 2016**

Particulars	Indian GAAP As at 31 March 2016	Ind AS adjustments	Ind AS As at 31 March 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	0.12	-	0.12
Other non-current assets	0.05	-	0.05
<b>Current assets</b>			
Financial assets			
(i) Cash and cash equivalents	12.01	-	12.01
(ii) Loans	0.10	-	0.10
<b>Total Assets</b>	<b>12.28</b>	<b>-</b>	<b>12.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10.00	-	10.00
Other Equity	2.24	-	2.24
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other current liabilities	0.04	-	0.04
<b>Total Equity and Liabilities</b>	<b>12.28</b>	<b>-</b>	<b>12.28</b>

Particulars	Indian GAAP For the year ended 31 March 2016	Ind AS adjustments	Ind AS For the year ended 31 March 2016
<b>REVENUE</b>			
Revenue from operations	-	-	-
Other income	-	-	-
Finance income	-	-	-
<b>Total Revenue (I)</b>			
<b>EXPENSES</b>			
Other expenses	0.38	-	0.38
<b>Total expenses (II)</b>	<b>0.38</b>	<b>-</b>	<b>0.38</b>
<b>Profit before exceptional items and tax from continuing operations (I-II)</b>	<b>-</b>	<b>-</b>	<b>0.38</b>
Exceptional Items	-	-	-
<b>Profit/(loss) before tax from continuing operations (III-IV)</b>	<b>-</b>	<b>-</b>	<b>0.38</b>
Tax expense:			
Current Tax	-	-	-
Deferred Tax	-	-	-
<b>Profit/ (loss) for the year (VII+VIII)</b>	<b>-</b>	<b>-</b>	<b>0.38</b>
Other Comprehensive Income			
<b>A Items that will be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B Items that will not be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year (IX + X)</b>	<b>-</b>	<b>-</b>	<b>0.38</b>
<b>(Comprising Profit (Loss) and Other Comprehensive Income for the Year)</b>	<b>-</b>	<b>-</b>	<b>0.38</b>

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March

1) **Re-classification**

The company has reclassified previous year figures to conform to Ind AS classification.

