O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
Phase - 1, New Delhi - 110020
Ph.: 011-47011850, 51, 52, 53
E-Mail : admin@opbco.in
Website : www.opbco.in

INDEPENDENT AUDITOR'S REPORT

To the Members of
Kajaria Tiles Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **Kajaria Tiles Private Limited** (formerly known as Kajaria Floera Ceramics Private Limited) ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of Profit and Loss, including the statement of other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 35 to the Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is

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to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards)Rules,2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the Standalone Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

OP BAGLA & CO. FRN 000018N/N500091 New Delhi Chartered Accountants

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(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 33 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
FRN No. 000018N / N500091

(ATUL BAGLA)
PARTNER
M No. 91885

PLACE : NEW DELHI
DATED : MAY 10, 2021

UDIN: 21091885AAAACC2942

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Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) Fixed assets were physically verified by the management in the previous year in accordance with a planned program of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

c) According to the information and explanations given by the management, the title deeds of immoveable properties, included in property, plant and equipment are held in the name of the Company.

(ii) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of inventories of finished goods. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. We are explained that no material discrepancies have been noticed on physical verification.

(iii) The Company has not granted any loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of, clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.

(v) According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 of the Companies Act read with rules framed thereunder.

(vii) a) As per information and explanations given to us, the company is 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, goods and service tax, cess and other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) We have been informed that there are no unpaid dues in respect of income-tax, goods and service tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and cess outstanding on account of any dispute.

(viii) The Company does not have any borrowings from banks, financial institutions, the government or debenture holders as on the date of Balance Sheet. Therefore requirements under clause 3(viii) are not applicable to the Company.

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(ix) The company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments). Also no amounts were raised from term loans during the year.

(x) Based upon the audit procedures and information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act and the Company has taken requisite approvals as prescribed by the Act in this regard.

(xii) The Company is not a Nidhi company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.

(xiii) According to information and explanations given to us by the management, transactions with related parties are in compliance with the Section 177 and 188 of Companies Act 2013 wherever applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting Standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) According to information and explanations given to us by the management, the company has not entered into any non-cash transactions with any of its directors or persons connected with the directors during the year. Therefore, clause 3(xv) of the Order is not applicable.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
FRN No. 000018N / N500091

(ATUL BAGLA)
PARTNER
M No. 91885
UDIN: 21091885AAAACC2942

PLACE : NEW DELHI
DATED : MAY 10, 2021

O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

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ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Kajaria Tiles Private Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

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

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principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
FRN No. 000018N / N500091

PLACE : NEW DELHI
DATED : MAY 10, 2021

(ATUL BAGLA)
PARTNER
M No. 91885
UDIN: 21091885AAAACC2942

O P BAGLA & CO LLP FRN: 000018N/N500091 New Delhi Chartered Accountants

KAJARIA TILES PVT. LTD. (formerly known as Kajaria Floera Ceramics Private Limited)

Balance Sheet as at 31 MARCH 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 Mar 2021	As at 31 March 2020
I ASSETS			
(1) Non-current assets			
Property, plant and equipment	3A	16,643.56	14,286.35
Capital work-in-progress	3B	-	1,276.22
Right to use Assets	4	5.24	12.24
Financial assets			
(i) Loans & Advances	5A	170.96	103.16
Other non-current assets	5B	16.63	68.29
(2) Current assets			
Inventories	6	3,480.76	3,571.37
Financial assets			
(i) Trade receivables	7	1,707.52	563.18
(ii) Cash and cash equivalents	8	114.80	185.10
(iii) Loans & Advances	5A	1.04	0.35
Other current assets	5B	361.15	1,451.19
Total Assets		**22,501.68**	**21,517.44**
II EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	9	1,000.00	1,000.00
Other Equity	10	272.96	(251.21)
		1,272.96	748.79
(2) LIABILITIES			
(a) Non-current liabilities			
Financial liabilities			
(i) Borrowings	11	19,872.34	18,768.35
(ii) Lease Liability	11B	-	5.11
(ii) Other financial liabilities	12B	-	-
Provisions	13	47.35	24.37
Deferred tax liabilities (Net)	15	90.82	-
Other non current liabilities	14	-	-
(b) Current liabilities			
Financial liabilities			
(i) Trade Payable	12A		
Dues of Micro & Small Enterprises		22.81	35.37
Dues other than Micro & Small Enterprises		552.16	1,200.43
(ii) Lease Liability	11B	5.72	7.67
(iii) Other financial liabilities	12B	559.09	688.26
Provisions	13	1.62	0.87
Other current liabilities	14	76.82	38.22
Total Equity and Liabilities		**22,501.68**	**21,517.44**

Significant accounting policies 1&2

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

in terms of report of even date annexed

For O P Bagla & Co LLP
Chartered Accountants

Atul Bagla
Partner
M.No. 91885

PLACE :- New Delhi
DATED:- May 10, 2021

For and On Behalf Of The Board

Ramkishan Sharma
Director
DIN: 06746188

Vishal Rastogi
Director
DIN: 05189357

Archit Jain
Company Secretary

Vikram Khaitan
Chief Financial Officer

O P BAGLA & CO LLP * FRN: 000018N/N500091 * New Delhi * Chartered Accountants

KAJARIA TILES PVT. LTD. (formerly known as Kajaria Floera Ceramics Private Limited)
Statement of Profit and Loss for the year ended 31 MARCH 2021
(Amount in Rupees Lakhs, unless otherwise stated)

	Particulars	Notes	For the Year ended 31 Mar 2021	For the Year ended 31 March 2020
I	**REVENUE**			
	Revenue from operations	16	11,847.73	4,447.58
	Other income	17	86.01	55.38
	Total Revenue (I)		**11,933.74**	**4,502.96**
II	**EXPENSES**			
	Cost of material consumed	18	3,959.76	2,768.61
	Changes in inventories of finished goods, stock-in-trade and work in progress	19	364.61	(2,309.67)
	Employee benefits expenses	20	1,350.60	799.01
	Finance costs	21	1,392.74	727.92
	Depreciation and amortization expenses	22	725.61	328.08
	Other expenses	23	3,526.13	2,391.84
	Total expenses (II)		**11,319.46**	**4,705.79**
III	**Profit before exceptional items and tax from continuing operations (I-II)**		**614.28**	**(202.83)**
IV	Exceptional Items		-	-
V	**Profit/(loss) before tax from continuing operations (III-IV)**		**614.28**	**(202.83)**
VI	Tax expense:			
(1)	Current Tax		-	-
(2)	Deferred Tax	15	90.64	-
VII	**Profit (Loss) for the Year from continuing operations (V-VI)**		**523.65**	**(202.83)**
VIII	Other Comprehensive Income			
	A Items that will be reclassified to profit or loss		-	-
	Income tax effect		-	-
	B Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		0.71	-
	Income tax effect	15	0.18	-
	Net (loss)/gain on FVTOCI equity securities		-	-
	Income tax effect		-	-
IX	**Total Comprehensive Income for the Year (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the Year)**		**524.18**	**(202.83)**
	Earnings per equity share for continuing operations			
	(1) Basic, computed on the basis of profit from continuing operations	24	5.24	(2.03)
	(2) Diluted, computed on the basis of profit from continuing operations	24	5.24	(2.03)
	Significant accounting policies	1&2		

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

in terms of report of even date annexed

For O P Bagla & Co LLP
Chartered Accountants

Atul Bagla
Partner
M.No. 91885

PLACE :- New Delhi
DATED:- May 10, 2021

For and On Behalf Of The Board

Ramkishan Sharma
Director
DIN: 06746188

Vishal Rastogi
Director
DIN: 05189357

Archit Jain
Company Secretary

Vikram Khaitan
Chief Financial Officer

O P BAGLA & CO LLP
FRN: 000018N/N500091
New Delhi
Chartered Accountants

KAJARIA TILES PVT. LTD. (formerly known as Kajaria Floera Ceramics Private Limited)

Cash Flow Statement for the year ended 31 March 2021

(Amount in Rupees Lakhs, unless otherwise stated)

	For the Year ended 31 March 2021		For the Year ended 31 March 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		614.28		(202.83)
Adjusted for :				
Depreciation	725.61		328.08	
Interest Expense	1,391.98		727.92	
Assets written off	-		19.45	
Trade receivables written off (net)	-		1.33	
Interest income	(0.77)		-	
Unrealised forex gain/ loss	(0.84)		0.65	
Unrealised gain/loss on lease obligation	0.48		0.54	
Other comperansive income-Gratuity	0.71			
		2,117.16		1,077.97
Operating Profit before Working Capital Changes		**2,731.45**		**875.14**
Adjusted for increase or decrease in operating assets;				
Trade & Other Receivables	(1,144.35)		(564.51)	
Other financials assets	(0.69)		546.88	
Other assets	1,197.49		(518.98)	
Inventories	90.61		(3,571.37)	
Trade Payable	(659.99)		1,235.15	
Other financial liabilities	(43.70)		(4,644.05)	
Other liabilities	38.60		(101.75)	
Provisions	23.73		25.24	
		(498.31)		(7,593.38)
Cash Generated from Operations		**2,233.14**		**(6,718.25)**
Direct Taxes Paid		(107.46)	-	
Net Cash from operating activities		**2,125.68**		**(6,718.25)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(3,075.82)		(13,717.81)	
Change in Capital work in progress	1,276.22		8,006.26	
Capital creditors	(93.80)		2,468.28	
Capital advance	51.66		(68.29)	
Interest Received	0.77		-	
Deposit	(67.80)		(103.16)	
Net Cash used in Investing Activities		**(1,908.77)**		**(3,414.71)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/ (Repayment) of Borrowings (Net)	1,103.99		10,926.57	
Interest Paid	(1,391.19)		(727.01)	
Net Cash used in Financing Activities		**(287.20)**		**10,199.57**
Net increase in Cash and Cash Equivalents		(70.29)		66.61
Cash and Cash Equivalents - Opening		185.10		118.50
Cash and Cash Equivalents - Closing		114.80		185.10
Note to cash flow statement				
1 Components of cash and cash equivalents				
Balances with banks				
- Current accounts		114.05		183.59
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)				
Cash on hand		0.75		1.50
Other bank balance (earmarked balance with bank)		-		-
Cash and cash equivalents considered in the cash flow statement		**114.80**		**185.10**

Significant accounting policies 1 & 2

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

In terms of our report of even date annexed

For O P Bagla & Co LLP
Chartered Accountants

Atul Bagla
Partner
M.No. 91885

PLACE :- New Delhi
DATED:- May 10, 2021

For and On Behalf Of The Board

Ramkishan Sharma
Director
DIN: 06746188

Vishal Rastogi
Director
DIN: 05189357

Archit Jain
Company Secretary

Vikram Khaitan
Chief Financial Officer

O P BAGLA & CO LLP
FRN: 000018N/N500091
New Delhi
Chartered Accountants

Accounting Policies under Ind AS

Standalone financial statements of Kajaria Tiles Private Limited for the year ended 31-March-2021

1. Corporate information

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

The Company has forayed into manufacturing and trading of floor tiles items. The plant of the company is being setup at Thottambedu Village, 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 2021 were authorized for issue in accordance with a resolution of the directors on 10-05-2021.

1.1 Merger of Kajaria Tiles Private Limited

The Board of the Directors of the Company in its meeting held on August 26, 2019, passed a resolution to approve the Scheme of Amalgamation amongst Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited), (Wholly-owned Subsidiary Company/Transferor Company) and Kajaria Ceramics Limited, (Holding Company/Transferee Company) and their respective shareholders and creditors" ("Scheme") on a going concern basis, with effect from April 1, 2019 or such other date as may be approved by the competent authority. The Company has received the order dated February 03, 2020 from the National Company Law Tribunal, Chandigarh Bench, Chandigarh with respect to the first motion application filed by the Company.

2. Significant accounting policies

2.1 Statement of Compliance

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

2.2 Basis of preparation

The financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of goods and or services rendered to customers the realisation in cash and cash equivalents of the consideration for such goods and or services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method.

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These financial statements have been prepared in Indian Rupee (INR) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

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

2.3 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. Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognises revenue at the point in time, when control of the asset is transferred to the customer depending upon the terms of sale with the customers. When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax, value added tax and goods and service tax are excluded from revenue.

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Interest income and dividend

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction using the effective interest method.

Dividend income is recognised when the right to receive payment is established

c. Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores and spares, stock-in trade, trading and other products are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. In determining the cost of raw materials, packing materials, stock-in-trade, stores and spares, trading and other products, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

d. Property, plant and equipment

Measurement and recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of property, plant and equipment if the recognition criteria are met.

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Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life.

Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred

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.

Capital work-in-progress and capital advances

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 capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

Type of asset	**Useful life**
Buildings	30-60 years
Plant and equipment	15-18 years
Computers	3-5 years
Vehicles	8 years
Office Equipment	10 years
Electrical Installation	18 years
Furniture and fixture	10 years

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

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

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De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

e. Intangible Assets

Measurement and recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation

Intangible assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. 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.

De-recognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

f. Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, 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, if any. All other borrowing costs are expensed in the period in which they occur.

g. Foreign currency transactions

Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Nonmonetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

Effective 1 April 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

h. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in statement of profit and loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Company receives grants of nonmonetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

i. Taxes on income

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

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

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

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

j. Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

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Post-employment benefits

I. Defined contribution plans: The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other long-term employee benefits

Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

k. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The lease liabilities are grouped under other liabilities.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. Transition to Ind AS 116 Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019).

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.

Provisions for onerous contracts are recognised when the expected benefits to be desired by the company from a contract are lower than unavoidable costs of meeting to future obligations under the contract and are measured at the present value of lower than expected net cost of fulfilling the contract and expected cost of terminating the contract.

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;

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- 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.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

l. Earnings per share

Basic earnings per equity share is calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m. Cash and cash equivalents

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

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

n. 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**

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

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

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

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

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

Derecognition

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

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

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

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 Effective Interest Rate (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.

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

o. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

p. 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.

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

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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) Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets

(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 Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognised in the statement of profit and loss.

KAJARIA TILES PVT. LTD. (formerly known as Kajaria Floera Ceramics Private Limited)
Statement of Changes in Equity for the year ended 31 Mar 2021
(Amount in Rupees Lakhs, unless otherwise stated)

a **Equity share capital**

Particulars	31 Mar 2021	31 March 2020
Issued, subscribed and paid up capital (Refer note 3)		
Opening balance	1,000.00	1,000.00
Changes	-	-
Closing balance	1,000.00	1,000.00

b **Other equity**

Particulars	Reserves and Surplus		Items of OCI	Total equity
	Securities premium	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans	
As at 1 April 2019	-	(48.39)	-	(48.39)
Additions	-			-
Net income / (loss) for the year	-	(202.83)	-	(202.83)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	**(202.83)**	-	**(202.83)**
				-
				-
At1 April 2020	-	(251.21)	-	(251.21)
Net income / (loss) for the year	-	523.65	-	523.65
Other comprehensive income	-	-	0.53	0.53
Total comprehensive income	-	523.65	0.53	524.18
At 31 Mar 2021	-	**272.43**	**0.53**	**272.96**

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

For O P Bagla & Co LLP
Chartered Accountants

Atul Bagla
Partner
M.No. 91885

For and On Behalf Of The Board

Ramkishan Sharma
Director
DIN: 06746188

Vishal Rastogi
Director
DIN: 05189357

Archit Jain
Company Secretary

Vikram Khaitan
Chief Financial Officer

PLACE :- New Delhi
DATED:- May 10, 2021

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KAJARIA TILES PVT. LTD.
Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakh, unless otherwise stated)

Note No. 3 A Property, Plant & Equipments

Particulars	Freehold land	Building	Plant & machinery	Furniture & fixtures	Vehicles	Office Equipments	Computers	Total
Cost or Valuation								
As 31 March 2019	**875.30**	-	**14.21**	**13.02**	**0.98**		**6.10**	**909.62**
Additions	366.23	4,776.42	8,380.36	50.45	46.54	55.30	25.95	13,701.27
Disposal	-	-	-	-	-		-	-
Exchange differences	-	-	-	-	-		-	-
As 31st March 2020	**1,241.53**	**4,776.42**	**8,394.58**	**63.48**	**47.52**	**55.30**	**32.06**	**14,610.88**
Additions	-	1,838.08	1,113.11	84.56	0.63	35.18	4.26	3,075.82
Disposal	-	-	-	-	-		-	-
Exchange differences	-	-	-	-	-		-	-
As 31 March 2021	**1,241.53**	**6,614.50**	**9,507.68**	148.04	**48.15**	**90.48**	36.32	**17,686.70**
Depreciation and impairment								
At 31 March 2019	-	-	-	-	-	-	-	-
Additions	-	**61.97**	**251.62**	**2.68**	**1.86**	**2.27**	**4.12**	**324.53**
Disposal	-	-	-	-	-		-	-
As 31 March 2020	-	**61.97**	**251.62**	**2.68**	**1.86**	**2.27**	**4.12**	**324.53**
Additions	-	150.58	536.97	9.61	5.69	6.98	8.79	718.62
Disposal	-	-	-	-	-		-	-
As 31 March 2021	-	**212.55**	**788.59**	**12.29**	**7.55**	**9.25**	**12.91**	**1,043.15**
Net book value								
As 31 March 2021	1,241.53	6,401.95	8,719.09	135.74	40.60	81.23	23.41	16,643.56
As 31 March 2020	1,241.53	4,714.45	8,142.95	60.79	45.65	53.04	27.94	14,286.35

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KAJARIA TILES PVT. LTD.

Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakh, unless otherwise stated)

Note No. 3B CAPITAL WORK-IN-PROGRESS

Particulars	Capital WIP	Total
Cost or Valuation		
At 31 March 2019	**9,301.42**	**9,301.42**
Additions	-	-
Disposal/ Capitalisation*	**(8,025.20)**	**(8,025.20)**
As 31st March 2020	**1,276.22**	**1,276.22**
Additions	-	-
Disposal/ Capitalisation*	(1,276.22)	(1,276.22)
As 31 March 2021	-	-
Net book value		
As 31 March 2021	-	-
As 31 March 2020	1,276.22	1,276.22

*** CWIP capitalised to fixed assets during the previous year includes preoperative expenses Rs. Nil (PY Rs.1565.99 Lacs)**

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KAJARIA TILES PVT. LTD.

Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No. 4 Other Intangible Assets

Particulars	Right of Use	Total
As 1st Apr 2019		
Additions	19.23	19.23
As 31th March 2020	19.23	19.23
Additions	-	-
As 31 March 2021	19.23	19.23
Depreciation		
At 1 April 2019	-	-
Additions	6.99	6.99
As 31th March 2020	**6.99**	**6.99**
Additions	6.99	6.99
As 31 March 2021	**13.99**	**13.99**
Net carrying amount		
As 31 March 2021	**5.24**	**5.24**
As 31th March 2020	**12.24**	**12.24**

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KAJARIA TILES PVT. LTD. (formerly known as Kajaria Floera Ceramics Private Limited)
Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Financial Assets				
Note No. 5A Loans at amortised cost				
Security deposits				
Unsecured				
Considered good	170.96	103.16	-	
Total loans at amortised cost	**170.96**	**103.16**	-	-
Advances recoverable in cash or kind				
Unsecured				
Considered good	-	-	1.04	0.35
Total advances recoverable in cash or kind	-	-	**1.04**	**0.35**
Total loans at amortised cost	**170.96**	**103.16**	**1.04**	**0.35**
Note No. 5B Other assets				
Unsecured capital Advances				
Considered good	16.63	68.29	-	-
Total capital advances	**16.63**	**68.29**	-	-
Advance to Suppliers			63.26	37.12
Prepaid expenses	-	-	26.48	14.28
Advance Tax and TDS Receivable	-	-	111.39	3.93
GST credit receivables	-	-	160.02	1,395.85
Balance with statutory authorities	-	-	-	-
Total	**16.63**	**68.29**	**361.15**	**1,451.19**

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KAJARIA TILES PVT. LTD. (formerly known as Kajaria Floera Ceramics Private Limited)
Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No 6 Inventories

(As taken, valued & certified by the management)

Particulars	31 Mar 2021	31 March 2020
Raw Materials	623.72	622.94
Work-in-Process	98.60	169.22
Finished Goods	1,887.75	2,181.74
Stores and Spares	712.57	502.08
Packing Material	158.12	95.39
	3,480.76	3,571.37

Note No 7 Trade receivables

(unsecured, considered good, unless otherwise stated)

Particulars	31 Mar 2021	31 March 2020
Unsecured, Considered Good	1,707.52	563.18
Credit Impaired	-	-
	1,707.52	**563.18**
Amount due from Holding Company	1,706.53	563.18

Note No. 8 Cash and cash equivalent

Particulars	31 Mar 2021	31 March 2020
Balance with banks		
- In current accounts	114.05	183.59
Cash on hand	0.75	1.50
	114.80	**185.10**

Financial assets carried at amortised cost

Particulars	31 Mar 2021	31 March 2020
Loans	172.00	103.51
Trade receivables	1,707.52	563.18
Other financial assets	-	-
	1,879.52	**666.68**

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KAJARIA TILES PVT. LTD.

Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No. 9 Equity Share capital

Particulars	31 Mar 2021	31 March 2020
a) Authorised Share Capital		
Equity share capital		
25000000 (March 31, 2020: 25000000) equity shares of Rs. 10 each.	2,500.00	2,500.00
Total	2,500.00	2,500.00
b) Issued, subscribed and paid up capital		
Equity share capital		
10000000 (March 31, 2020: 10000000) equity shares of Rs. 10 each.	1,000.00	1,000.00
	1,000.00	1,000.00

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

	Number of shares	
Particulars	**31 Mar 2021**	**31 March 2020**
Shares outstanding at the beginning of the year	10,000,000	10,000,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	10,000,000	10,000,000

	Amount of share capital	
Particulars	31 Mar 2021	31 March 2020
Shares outstanding at the beginning of the year	1,000	1,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	1,000	1,000

d) Rights, preferences and restrictions attached to the equity shares

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

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

	31.03.2021		31.03.2020	
Particulars	**Number of shares held**	**% of holding**	**Number of shares held**	**% of holding**
Kajaria Ceramics Ltd (Holding Company)	9,999,900	99.999%	9,999,900	99.999%

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KAJARIA TILES PVT. LTD.

Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No 10 Other Equity

Particulars	Amount
Retained earnings	
At 01 April 2019	(48.39)
Profit/(loss) during the period	(202.83)
Closing balance as at 31-03-2020	**(251.21)**
Profit/(loss) during the period	524.18
Closing balance as at 31-03-2021	**272.96**
Total other equity as	
At 31 Mar 2021	272.96
At 01 Apr 2020	(251.21)

Nature & Purpose of reserves-

Retained Earning

Created from profit/loss of the Group, as adjusted from distributions to owners and transfer to other reserve.

KAJARIA TILES PVT. LTD.

Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Financial Liabilities

Note No. 11 Borrowings	Non-Current		Current	
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Unsecured loan from related parties	19,872.34	18,768.35	-	-
Total brrowings	**19,872.34**	**18,768.35**	**-**	**-**

Note:-

Type of Loan & Rate of interest	Loan Outstanding 31 Mar 2021	Loan Outstanding 31 March 2020	Repayment terms
Unsecured Long term Loan - 7%	19,872.34	18,768.35	No repayment terms stipulated

Note No. 11B Lease Liability	Non-Current		Current	
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Lease Liabilities	-	5.11	5.72	7.67
Total Lease Liabilities	**-**	**5.11**	**5.72**	**7.67**

Note No 12A Creditors

Sundry Creditors:	Non-Current		Current	
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Dues of Micro & Small Enterprises	-	-	22.81	35.37
Dues to others	-	-	552.16	1,200.43
	-	**-**	**574.97**	**1,235.80**

Note No 12B Others	Non-Current		Current	
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Amount payable to capital creditors	-	-	301.95	395.75
Salary payable	-	-	72.90	68.78
Advances/Security Deposit	-	-	20.00	20.00
Outstanding Liabilities	-	-	164.24	203.73
	-	**-**	**559.09**	**688.26**

Note No 13 Provisions	Non-Current		Current	
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Provision for employee benefits obligation				
Gratuity	20.60	9.89	0.07	0.02
Compensated absences	26.75	14.48	1.55	0.85
	47.35	**24.37**	**1.62**	**0.87**

Note No. 14 Other liabilities	Non-Current		Current	
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Statutory Dues Payable	-	-	76.82	37.13
Advance from customers	-	-	-	1.09
	-	**-**	**76.82**	**38.22**

Financial liabilities carried at amortised cost	**31 Mar 2021**	**31 March 2020**
Borrowings	19,872.34	18,768.35
Trade payables	574.97	1,235.80
Lease Liabilities	5.72	12.78
Other financial liabilities	559.09	688.26

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KAJARIA TILES PVT. LTD.
Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No. 15 Deffered Tax Liabilities

(a) Deffered Tax:

The major components of income tax expenses for March 31, 2020 and March 31, 2019 are as follows:

(i) Profit or loss section

Particulars	31 Mar 2021	31 March 2020
Current tax expense	-	-
Deferred tax expense	90.64	-
Total income tax expense recognised in statement of Profit & Loss	**90.64**	-

(ii) OCI Section

Particulars	31 Mar 2021	31 March 2020
Net (gain) on remeasurement of defined benefit plans	0.18	-
Income tax charged to OCI	**0.18**	-

(b) Component of Deffered Tax Liabilities/(Assets)

Particulars	As at	Provided during the year		As at
	01-Apr-20	Statement of Profit and Loss	Other Comprehensive Income	31 Mar 2021
Deferred tax liability:				
Property, Plant & Equipment (Depreciation)	-	703.03	-	703.03
Others	-	-	-	-
Total deferred tax liability (A)	-	**703.03**	-	**703.03**
Deferred tax assets:				
Disallowances under Income Tax Act	-	-	-	-
Carried Forward Losses	-	593.48	-	593.48
Provisions	-	18.55	0.18	18.73
Total deferred tax assets (B)	-	612.04	0.18	612.21
Deferred Tax Liability (Net) (A - B)	-	**91.00**	**(0.18)**	**90.82**

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

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KAJARIA TILES PVT. LTD.

Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No 16 Revenue from operations

Particulars	31 Mar 2021	31 March 2020
Sale of products		
Tiles	11,845.85	4,442.11
	11,845.85	**4,442.11**
Other operating revenue		
Scrap sales	1.87	5.47
	1.87	**5.47**
Total	**11,847.73**	**4,447.58**

Note No 17 Other Income

Particulars	31 Mar 2021	31 March 2020
Interest income	0.77	-
Rental income	60.38	36.00
Miscellaneous income	22.59	19.38
Gain / (loss) on foreign currency rate difference	2.27	-
	86.01	**55.38**

Note No. 18 Cost of materials consumed

Particulars	31 Mar 2021	31 March 2020
Body Material	2,079.13	1,465.94
Glaze, Frits and Chemicals Consumption	1,280.33	972.33
Packing Material Consumption	600.30	330.34
Cost of material consumed	**3,959.76**	**2,768.61**

Note No. 19 Changes in inventories of finished goods, stock in trade and work in progress

Particulars	31 Mar 2021	31 March 2020
Closing stock		
Finished Goods	1,887.75	2,181.74
Work-in-process	98.60	169.22
	1,986.35	2,350.96
Less :		
Opening stock		
Finished Goods	2,181.74	-
Stock transferred from Trial Run	-	41.29
Work-in-process	169.22	-
	2,350.96	41.29
Net (Increase)/decrease in Stock	364.61	(2,309.67)

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Note No 20 Employee benefit expense

Particulars	31 Mar 2021	31 March 2020
Salary, wages, bonus and allowance	1,200.20	714.48
Contribution to provident fund and other funds	38.45	28.30
Staff Welfare expenses	111.95	56.24
	1,350.60	**799.01**

Note No 21 Finance Cost

Particulars	31 Mar 2021	31 March 2020
Interest expense	1,391.98	727.01
Other financial charges	0.77	0.91
	1,392.74	**727.92**

Note No 22 Depreciation and amortization expense

Particulars	31 Mar 2021	31 March 2020
Depreciation on property, plant and equipment (Note no 3A)	718.62	324.54
Amortisation of intangible assets (Note no 4)	6.99	3.54
	725.61	**328.08**

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Note No 23 Other expenses

Particulars	31 Mar 2021	31 March 2020
Consumption of stores, spares and consumables	552.14	297.55
Power and fuel	2,500.63	1,747.66
Repairs and maintenance:		
- Building	2.72	-
- Machinery	141.31	103.33
- Others	19.45	26.18
Rent	0.71	0.87
Rates and taxes	32.73	16.25
Traveling & Conveyance Expenses	36.27	54.79
Insurance	15.61	3.21
Legal and professional charges	8.62	18.06
Payment to Auditors:		
As Auditor:		
As audit fees	5.00	5.00
For other Services	4.82	2.75
For reimbursement of expenses	-	0.43
Miscellaneous expenses	61.99	56.80
Packing Freight & Forwarding Expenses	141.96	25.65
Applicable Net Gain / (Loss) on Foreign Currency Transactions and Translation	-	25.41
Advertisement expenses	2.17	6.06
	3,526.13	**2,391.84**

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KAJARIA TILES PVT. LTD.

Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No. 24 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 Mar 2021	31 March 2020
Profit attributable to equity holders of the Company:		
Continuing operations	523.65	(202.83)
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	523.65	(202.83)
Dilution effect		-
Profit attributable to equity holders adjusted for dilution effect	523.65	(202.83)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	10,000,000	10,000,000

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

Earning Per Share - Continuing operations		
Basic	5.24	(2.03)
Diluted	5.24	(2.03)
Face value per share (Rs)	10.00	10.00

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Notes To Financial Statements For 31 Mar 2021

(Amount in Rupees Lakhs, unless otherwise stated)

Note No. 25 Employee benefits

Defined Contribution Plans - General Description

"Provident Fund:During the year, the company has recognised Rs. 14.55 lakhs as contribution to Employee Provident Fund in the Statment of Profit and Loss a/c ."

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of 20 Lakhs at the time of separation from the company.

Other long-term employee benefits - General Description

Leave Encashment:

Each employee is entitled to get 15 , 21 and 24 earned leaves for each completed year of service by workmen and supervisor & above respectively. Encashment of earned leaves is allowed during service leaving a minimum balance of 45 days for workmen, 63 days for supervisior and 72 days for senior supervisor and above.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation are, as follows:

Rs in Lakhs

	31 March 2021	31 March 2020
Defined benefit obligation at the beginning of year	9.91	-
Current service cost	11.66	8.50
Interest expense	0.67	-
Benefits paid	(0.86)	-
Actuarial (gain)/ loss on obligations	(0.71)	-
Past Service Cost	-	1.41
Defined benefit obligation at the end of year	**20.67**	**9.91**

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

Rs in Lakhs

	31 March 2021	31 March 2020
Fair Value of Plan Assets at the beginning of year	-	-
Contribution during the year	-	-
Benefits paid	-	-
Expected Return on Plant assets	-	-
Acturial (loss)/ gain on plan assets	-	-
Fair Value of Plan Assets at the end of year	-	-

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

Rs in Lakhs

	31 March 2021	31 March 2020
Fair Value of Plan Assets	-	-
Defined benefit obligation	20.67	9.91
Net Asset / (liability) recognised in balance sheet	20.67	9.91
Current	0.07	0.02
Non-Current	**20.60**	**9.89**

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Amount recognised in Statement of Profit and Loss:

Rs in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	11.66	8.50
Interest Cost	0.67	-
Expected return on Plan assets	-	-
Past Service cost	-	1.41
Amount recognised in Statement of Profit and Loss	**12.32**	**9.91**

Breakup of actuarial gain/ (loss)

Rs in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Actuarial gain/(loss) arising from changes in financial assumption	-	-
Actuarial gain/(loss) arising from changes in experience assumption	(0.71)	-
Amount of gain/ (loss) recognised in Other Comprehensive Income	**(0.71)**	-

The principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are shown below:

Particulars	31 March 2021	31 March 2020
Discount rate	6.75%	6.75%
Expected Rate of return on plan assets	NA	NA
Future Salary Increase	8.00%	8.00%
Attrition Rate	4.00%	4.00%
Retirement age	58 Years	58 Years
Mortality	100% of IALM 2012 14	100% of IALM 2012-14

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 is as shown below:

Gratuity Plan	31 March 2021		31 March 2020	
	Sensitivity Level	Impact on Defined benefit obligation	Sensitivity Level	Impact on Defined benefit obligation
Assumptions				
Discount rate	-1.00%	3.15	-1.00%	1.56
	1.00%	(2.60)	1.00%	(1.29)
Future salary increases	-1.00%	(2.59)	-1.00%	(1.28)
	1.00%	3.08	1.00%	1.53
Withdrawal rate	-1.00%	1.75	-1.00%	1.01
	1.00%	(1.52)	1.00%	(0.88)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b.) Other long-term employee benefits - Compensated absences (unfunded)

	31 March 2021	31 March 2020
Amounts recognised in the balance sheet	28.30	15.32

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Note No 26 Dues to Micro, Small and Medium Enterprises

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

	Particulars	31 Mar 2021	31 March 2020
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	22.81	35.37
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

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

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Note No. 27 Segment Reporting

The business activity of the company falls within one broad business segment viz. "Ceramics Tiles " and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108 Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

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Note No. 28 Related party disclosures

Names of related parties and description of relationship

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

Relationship

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

Transactions during the period/ year:

A **Holding Company**

Particulars	31 Mar 2021	31 March 2020
Sales of Goods (net of all discounts)	11,845.85	4,441.46
Rent Received for trading Godown	27.00	36.00
Interest on Unsecured loan	1,390.33	1,179.30
Purchase of Tiles	0.37	14.35
Purchase of Machinery	-	61.50
Purchase of Stores & Spares	2.09	-
Rental Expense	0.60	0.11
Sales of Services	0.36	-

B **Key Management Personnel**

Transactions during the period/ year:

Particulars	31 Mar 2021	31 March 2020
Salary of CFO	31.05	37.63
Salary of Director Technical	-	23.73
Salary of Company Secretary	1.80	1.80

C **Outstanding balance of Related party transactions**

Particulars	31 Mar 2021	31 March 2020
Holding Company		
Trade Receivable	1,706.53	563.18
Long Term Borrowing	19,872.34	18,768.35
Security Deposit Received	10.00	10.00

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Note No : 29 Fair Value measurement

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

	Carrying value		Fair value	
	As at	As at	As at	As at
	31 Mar 2021	31 March 2020	31 Mar 2021	31 March 2020
Financial assets				
Advances	1.04	0.35	1.04	0.35
Security deposits	170.96	103.16	170.96	103.16
Trade receivable	1,707.52	563.18	1,707.52	563.18
Cash and Bank Balance	114.80	185.10	114.80	185.10
Total	**1,994.33**	**851.78**	**1,994.33**	**851.78**
Financial liabilities				
Fixed rate borrowings	19,872.34	18,768.35	19,872.34	18,768.35
Floating rate borrowings	-	-	-	-
Trade Payable	574.97	1,235.80	574.97	1,235.80
Lease Liabilities	5.72	12.78	5.72	12.78
Other Financial Liabilties	559.09	688.26	559.09	688.26
Total	**21,012.11**	**20,705.19**	**21,012.11**	**20,705.19**

The management assessed that fair value of short term financial assets and liabilites 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.

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Note No. 30 Fair value hierarchy

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

Level 1 : Quoted (unadjusted prices)

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

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

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

Trade receivables:

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

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

Financial instruments and cash deposits

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

B. Liquidity Risk

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

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

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended 31st March 2021						
Borrowings*	19,872.34	-	-	-	-	19,872.34
Lease Liabilities	-	-	5.72	-	-	5.72
Trade and other payables	-	574.97	-	-	-	574.97
Other financial liabilities	-	257.14	301.95	-	-	559.09
Year ended 31st March 2020						
	On demand	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**>5 years**	**Total**
Borrowings*	18,768.35	-	-	-	-	18,768.35
Lease Liabilities	-	-	7.67	5.11		12.78
Trade and other payables	-	1274.02	-	-	-	1,274.02
Other financial liabilities	-	292.52	395.74	-	-	688.26

* Borrowings include current maturity

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

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

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2021.

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

The following assumptions have been made in calculating the sensitivity analyses:
- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 Mar 2020 and 31 March 2021 including the effect of hedge accounting

Interest rate risk - Not Applicable as the company did not have any loan exposure from Banks.
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

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Note No. 32 Capital Management

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

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

Particulars	31 Mar 2021	31 Mar 2020
Borrowings	19,872.34	18,768.35
Other Liabilities	690.60	764.51
Trade and other payables	574.97	1,235.80
Less: Cash and short term deposits	114.80	185.10
Net debts	**21,023.10**	**20,583.56**
Equity	1,000.00	1,000.00
Other Equity	272.96	(251.21)
Total Capital	**1,272.96**	**748.79**
Capital and net debt	**22,296.06**	**21,332.34**
Gearing ratio (%)	**94.3%**	**96.5%**

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2021.

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Note No. 33 Commitments and Contingencies

A. Contingent Liabilities

	31 Mar 2021	31 March 2020
Claims against the company not acknowkedged as debt	88.12	100.00
	88.12	100.00

B. Commitments	**31 Mar 2021**	**31 March 2020**
i) Estimated amount of contracts remaining to be executed on capital account and	-	202.44
ii) Other commitments :		
- Letter of credit openened in favour of overseas suppliers	-	26.73
	-	**229.17**

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New Delhi
Chartered Accountants

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Notes To Financial Statements For 31 March 2021
(Amount in Rupees Lakhs, unless otherwise stated)

Note No 34 Exposure to Financial and Commodity Derivatives

1. The Company has not entered into any derivative instruments to hedge their foreign currency contracts. There is no derivative contracts outstanding as on the date of balance sheet

2. **Foreign currency exposure that are not hedged by a derivative instrument as at Balance Sheet are as follows**

Particulars	Currency	March 31, 2021		March 31, 2020	
		Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.
Advance to Suppliers					
	USD	25,985.48	18.95	0.30	21.41
	EURO	4,500.51	3.56	-	-
Trade Payable					
	USD	-	-	(0.39)	(27.91)
	EURO	-	-	(0.14)	(18.29)

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Note No 35 Global Health Pandemic on COVID-19

Due to COVID-19, the Company temporarily suspended the operations in all the units of the Company. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities, retail outlets of dealers etc. However, sales / supply of goods have commenced during the month of May 2020 and partial production commenced in June 2020.

The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully onsidered all the possible impact of known events in the preparation of the standalone financial results. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

Note No 36 CSR Non-Spend

During the year under consideration the company was not required to spend any amount towards CSR as mentioned under section 135 of the companies Act, 2013.

Note No 37 Balance Confirmation

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

Note No 38 Regrouping/Recasting

Previous year figures have been regrouped and recasted wherever necessary

in terms of report of even date annexed

For O P Bagla & Co LLP
Chartered Accountants

Atul Bagla
Partner
M.No. 91885

PLACE :- New Delhi
DATED:- May 10, 2021

For and On Behalf Of The Board

Ramkishan Sharma
Director
DIN: 06746188

Vishal Rastogi
Director
DIN: 05189357

Archit Jain
Company Secretary

Vikram Khaitan
Chief Financial Officer