

SORISO CERAMIC PVT. LID.

AT: LAKHDIRPUR ROAD, TAL : MORBI

**AUDIT REPORT
2014-15**

AUDITORS:

**V. N. SITAPARA & ASSOCIATES
CHARTERED ACCOUNTANTS**

"202 , Je Bhagwan Complex
Savsar Plot Main Road,
Ram Chowk,
Morbi - 363641

V. N. SITAPARA & ASSOCIATES
CHARTERED ACCOUNTANTS

V. N. SITAPARA & ASSOCIATES
B.Com. F.C.A.
Ram Chowk,
Savsar Plot Main Road
MORBI -363 641
Tel : O. 223996

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SORISO CERAMIC PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SORISO CERAMIC PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- (ii) in the case of the statement of profit and loss, of the **PROFIT** for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 purpose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have no adverse effect on the functioning of the Company.
- (g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements - Refer Point No. 3 of Note 23 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. As per information and explanations given to us the company is not required to transfer any amount to Investor education and protection fund hence its reporting is not applicable

For V.N. SITAPARA & ASSOCIATES.
CHARTERED ACCOUNTANTS

Sitapara v r L

(VIJAY. N. SITAPARA)
PROPRIETOR
M No.113966

FIRM REG. NO. 123575 W

PLACE : MORBI
DATED : 06.04.2015



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON
ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015**

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
b) As explained to us, major fixed assets have been physically verified by the management during the year. We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account. In our opinion the frequency of verification is reasonable.
2. a) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials except clay. We were informed that physical verification of clay was difficult due to its volume and loose nature.
b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of these stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same has been properly dealt with in the books of account.
3. The Company has not granted any loan during the year, to Company, firm or other concern covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has accepted deposits within 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, where applicable, have been complied with.



6. We have reviewed the cost records maintained by the company pursuant to the companies prescribed under section 148(1) of the companies Act,2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
7. a) As per information and explanations given to us the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Octroi, entry tax and other statutory dues with the appropriate Authorities. There are no undisputed statutory dues at the year end outstanding for a period of more than six months from the date they become payable.
- b) We have been informed that disputed demands of Rs.69.34 lacs in respect of Excise Duty are pending in litigation with the Commissioner Central Excise & Customs Rajkot and disputed demands of Rs. 394.38 lacs in respect of VAT/CST are pending in litigation with the Sales Tax Authority.
- c) As per information and explanations given to us the company is not required to transfer any amount to Investor education and protection fund hence its reporting is not applicable.
8. There are no accumulated losses of the company as at the end of the year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of dues to the Financial Institutions, banks or debenture holders as at the year end.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4 (x) of the order is not applicable.
11. According to the information and explanations given to us the term loans taken by the company have been applied for the purposes for which the loans were obtained.



12. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31.03.2015.

**For V.N. SITAPARA & ASSOCIATES.
CHARTERED ACCOUNTANTS**

Sitapara V.N.

**(VIJAY. N. SITAPARA)
PROPRIETOR
M No.113966**

**PLACE : MORBI
DATED : 06.04.2015**



FIRM REG. NO. 123575 W

SORISO CERAMIC PRIVATE LIMITED

AT : LAKHDHIRPUR ROAD, MORBI-2.

NOTE NO.1 SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Accounting:**
The Company prepares its financial statements in accordance with applicable accounting standards and generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 2013.
2. **Income and Expenditure:**
Accounting of Income & Expenditure is done on accrual basis.
3. **Fixed Assets & Depreciation:**
 - a) Fixed assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction/installation.
 - b) Depreciation is charged on Written down Value Method at the rates provided in Schedule II of the Companies Act, 2013.
 - c) CENVAT credit availed on capital equipment is accounted for by credit to respective fixed assets.
 - d) To mitigate the requirements of The Companies Act, 2013 company has changed rate of depreciation in consonance with useful life of the assets as required under the provisions of the companies act,2013.
4. **Inventories:**
Inventories are valued on the following basis:
 - a) Stores and Spares - at moving average basis.
 - b) Raw Materials - at moving average basis.
 - c) Work-in-Process - at estimated cost
 - d) Finished Goods - at lower of cost or market value.
5. **Excise & Custom Duty:**
 - a) Excise & Custom Duty is accounted for at the time of clearance of goods. However, liability towards Excise Duty on closing stock lying in Bonded warehouse is provided for as per relevant guidance note issued by the Institute of Chartered Accounts of India.
 - b) CENVAT Credit, to the extent availed, is adjusted towards cost of materials.



6. **Sales**

Sales are inclusive of excise duty and after deducting discounts. Discounts are recognized when substantially all conditions appurtenant thereto have been fulfilled.

7. **Foreign Currency Transactions:**

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

c) Foreign currency assets and liabilities are translated at year end rates and resultant gain/loss on foreign exchange transaction are recognized in the profit & loss account

8. **Export Benefits**

Export Benefits in respect of Duty Rebate in respect of Export Sales has been accounted for in the year when it is accrued i.e. in year of export and based on the calculation of available rebate. The consumption of Raw Material, Stores and other inputs and the valuation of closing stock are stated net of such export benefits.

9. **Employee Benefits:**

a) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

b) Gratuity liability has not been provided as none of the employees of the company are not covered under gratuity Act.

10. **Research & Development:**

Revenue Expenditure on research and development is charged to Profit & Loss Account in the year in which it is incurred. Capital Expenditure on research and development is treated as additions to Fixed Assets in case the same qualifies as an intangible asset as per AS - 26 issued as ICAI.



11. **Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

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



M/S. SORISO CERAMIC PRIVATE LIMITED

BALANCE SHEET AS AT 31st March 2015

Particulars	Note	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	3,00,00,000	3,00,00,000
Reserves and surplus	3	11,04,91,378	7,12,66,814
		14,04,91,378	10,12,66,814
Share Application Money -Pending Allotment		-	-
Non-current liabilities			
Long-term borrowings	4	2,30,21,810	5,09,17,499
Deferred tax liabilities (Net)	5	1,12,39,963	1,07,01,756
Long Term Provisions		-	-
		3,42,61,773	6,16,19,255
Current liabilities			
Short-term Borrowings	6	8,71,19,514	9,97,07,006
Trade payables	7	9,71,24,450	10,78,33,984
Other current liabilities	8	3,85,38,358	3,37,62,505
Short-term provisions	9	1,03,43,758	80,35,837
		23,31,26,079	24,93,39,331
TOTAL		40,78,79,231	41,22,25,401



ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	18,36,50,294	20,48,00,024
Capital Work in Progress		5,04,000	
Non-current investments		-	-
Long Term Loans & Advances	11	2,55,09,054	2,44,33,338
		20,96,63,348	22,92,33,362
Current assets			
Inventories	12	9,83,76,306	8,94,19,299
Trade receivables	13	8,58,13,377	7,92,59,690
Cash and Bank balances	14	49,40,946	63,80,478
Short-term loans and advances	15	90,85,255	79,32,572
Other current assets		-	-
		19,82,15,883	18,29,92,039
TOTAL		40,78,79,231	41,22,25,401
Significant Accounting Policies	1		

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

FOR, V.N.SITAPARA & ASSOCIATES
CHARTERED ACCOUNTANTS

Sitapara v.n.

(Vijay N. Sitapara)
Proprietor
M. No. - 113966
FRN123575 W

FOR AND ON BEHALF OF THE BOARD

Mam

Director

Mrakay
Director

PLACE :- MORBI

DATED:- 06/04/2015



M/S. SORISO CERAMIC PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

Particulars	Note	31.03.15	31.03.14
Revenue from operations	16	1,22,71,54,327	1,04,18,58,083
Less:Excise Duty		16,78,07,181	14,29,72,267
Other income	17	1,05,93,47,146	89,88,85,816
		29,43,135	24,96,465
Total Revenue		1,06,22,90,281	90,13,82,281
Expenses:			
Cost of Materials Consumed	18	50,50,23,142	40,03,58,706
Changes in inventories	19	(1,18,72,046)	(66,04,335)
Employee benefits expense	20	5,95,20,416	5,02,18,736
Finance costs	21	1,97,53,810	2,75,27,619
Depreciation and amortization expense		2,69,98,052	3,06,58,011
Administration & other expenses	22	40,22,16,880	35,87,37,515
Total expenses		1,00,16,40,253	86,08,96,253
Profit before exceptional and extraordinary items & tax		6,06,50,027	4,04,86,028
Exceptional items		-	-
Profit before extraordinary items and tax		6,06,50,027	4,04,86,028
Extraordinary Items		-	-
Profit before tax		6,06,50,027	4,04,86,028
Tax expense:			
Current tax			
Current year		2,04,75,000	1,07,00,000
Earlier years		5,78,407	3,72,393
Deferred tax			
Current year		5,38,207	26,26,506
Earlier years		-	-
		2,15,91,614	1,36,98,899
Profit for the Period		3,90,58,413	2,67,87,129
Earnings per equity share (Par value of ₹ 10/- each)			
Basic		13.02	8.93
Diluted		-	-

FOR, V.N.SITAPARA & ASSOCIATES
CHARTERED ACCOUNTANTS

Sitapara v.n.

(Vijay N. Sitapara)

Proprietor

M. No. - 113966

For AND ON BEHALF OF THE BOARD

[Signature]

Director

[Signature]

Director

PLACE :- MORBI

DATED :- 06/04/2015



SORISO CERAMIC PVT. LTD.
CASH FLOW STATEMENT FOR THE YEAR 2014-15

SR. NO.	PARTICULARS	31/03/2015		31/03/2014
		AMT. RS.	AMT. RS.	AMT. RS.
A	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
	Net profit before tax as per Profit and Loss A/C		6,06,50,027	4,04,86,028
	Adjusted for:			
	Depreciation	2,69,98,052		3,06,58,011
	Mobile Tower Rent Income	(31,55,558)		(1,82,825)
	Change in Depreciation	-		-
	Operating Profit Before Working Capital		2,38,42,494	3,04,75,186
	Adjusted for:		8,44,92,521	7,09,61,214
	Trade and Other receivable	(77,06,370)		(1,59,18,623)
	Inventories	(89,57,007)		(1,07,86,052)
	Trade and Other payable	(1,85,21,173)		3,81,98,085
	Cash Generated from Operations		(3,51,84,550)	1,14,93,409
	Taxes paid		4,93,07,971	8,24,54,623
			86,14,244	71,22,733
			4,06,93,727	7,53,31,890
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
	Adjusted for Payables of Fixed Assets		-	-
	Mobile Tower Rent Income		31,55,558	1,82,825
	Decrease/(Increase) in Bank Fixed Deposits (Not Considered in Cash Equivalent)		7,83,446	(35,98,957)
	Decrease/(Increase) in Long Term Advances		5,85,054	-
	Increase in Fixed Assets		(2,54,495)	(42,88,037)
	Net Cash flow from Investing Activities		42,69,563	(77,04,169)
C	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
	Secured Loan		(1,88,95,689)	(1,94,56,936)
	Unsecured Deposits		(90,00,000)	(4,67,73,778)
			(2,78,95,689)	(6,62,30,714)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,70,67,602	13,97,006
	OPENING BALANCE OF CASH AND CASH EQUIVALENTS		63,80,478	49,83,472
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		2,34,48,080	63,80,478

PLACE :- MORBI

FOR, V N SITAPARA & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
CHARTERED ACCOUNTANTS

DATED : 06/04/2015



Sitapara V.N.
(Pratik K. Rajdev)
Proprietor
M. No. - 137919
Firm Regn. No.131799 W

[Signature]
Director
[Signature]
Director

Note No.	PARTICULARS		
2	SHARE CAPITAL	31.03.15	31.03.14
	Equity Share Capital AUTHORISED		
	3000000 shares of par value of ₹10/- each (Previous year 3000000 shares of par value of ₹ 10/- each)	3,00,00,000	3,00,00,000
	ISSUED, SUBSCRIBED AND FULLY PAID-UP		
	3000000 shares of par value of ₹10/- each (Previous year 3000000 shares of par value of ₹10/- each)	3,00,00,000	3,00,00,000
	<p>a) From the above issued,subscribed & paid up capital,15,30,000 shares each of amount Rs.10/- are held by Kajaria Ceramics Ltd. being the holding company of the company</p> <p>b) During the year, the company has not issued / bought back any shares.</p> <p>c) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.</p> <p>d) Following Shareholders hold equity shares more than 5% of the total equity shares of the Company and no other share holder of the Company holds more than 5 percent of the equity shares.</p> <p style="padding-left: 20px;">a) Kajaria Ceramics Ltd. 51%</p> <p>e) The Company has only one class of shares referred to as equity shares having at par value of 10/- .Each holder of equity shares is entitled to one vote per share.</p> <p>f) Kajaria Ceramics Ltd. is the holding company of this company.</p> <p>g) The company has not issued shares for a consideration other than cash or bonus shares during the Year</p>		

3	RESERVES AND SURPLUS		
	Surplus		
	As per last balance sheet	7,12,66,814	4,44,79,686
	Add : Balancing Charge of Change in Depreciation	1,66,151	-
	Add: Profit for the year from Profit & Loss Statement	3,90,58,413	2,67,87,128
	Total	11,04,91,378	7,12,66,814



4

LONG-TERM BORROWINGS**Secured Loan From Banks****a) Term Loans (Secured)****Form Banks**

1 SBI term Loan A/c. No. 32184778890

1,66,33,911

3,03,33,323

From Others

2 Reliance Capital Limited Term Loan A/c.

56,86,711

1,10,52,667

vehicle Loans**Form Banks**1 H. D. F. C. Bank Forklift Loan A/c.- 80491792
Against Vehicle Forklift A/c.

-

2,00,502

2 H. D. F. C. Bank Car Loan A/c.- 32184778890
Against Vehicle Ertiga A/c.

5,96,477

3 H. D. F. C. Bank Loan A/c.No. 80691564
Against Hypothecation of New Loader

16,862

53,304

4 H. D. F. C. Bank Loan A/c.No. 80714979
Against Hypothecation of New Tractor

87,848

2,77,703

Total Secured Loan Rs...**2,30,21,810****4,19,17,499****From Others (Unsecured)****From Companies :**

1 Kajaria Ceramic Limited

-

75,00,000

From Share Holder

1 Kiranbhai Mahadevbhai

-

15,00,000

Total Unsecured Deposits Rs...

-

90,00,000**TOTAL****2,30,21,810****5,09,17,499**

a) The term loans are repayable in installments as per the terms of the respective agreements generally over a period of Five to ten years after a moratorium period of one to four years.

b) There has been no defaults in repayment of any of the loans or interest thereon as at the end of the Year

e) **Details of securities**

1 Term Loan from State Bank of India Is secured against first charge on fixed assets of the company (Building & Plant & Machinery) excluding assets purchased under Hire Purchase. The loan is further secured by way of Personal guarantee from two of the Director's of the company and the Holding Company.

2 Term Loan from Reliance Capital Ltd. Is secured against First charge on Digital Printing Machine Only.

3 Vehicle Loans from HDFC Bank Ltd. are secured against hypothecation of respective Fixed Assets



5	Deferred Tax Liabilities (Net)		
	Opening Balance	1,07,01,756	80,75,250
	ADD: Additional Adjustment for Current Year	5,38,207	26,26,506
	TOTAL	1,12,39,963	1,07,01,756

6	Short-Term Borrowings		
	WORKING CAPITAL FACILITIES		
	From Banks - Secured	8,71,19,514	9,97,07,006
	TOTAL	8,71,19,514	9,97,07,006

Note: Cash Credit Limits from S.B.I. Bank is secured against Stocks & Book Debts of the company.

7	TRADE PAYABLES		
	For Goods and Services	9,71,24,450	10,78,33,984
	TOTAL	9,71,24,450	10,78,33,984

a) Disclosure w.r.t. Micro, Small and Medium Enterprises as required by MSMED Act, 2006 is made in Note No.10



8	OTHER CURRENT LIABILITIES		
	Current Maturity of Long Term Debts	2,00,46,281	1,94,12,713
	Advances from customers and others	9,62,751	-
	Other Payables		
	1 Unpaid Professional Tax	53,280	-
	2 Unpaid Electric Bill	16,50,000	-
	3 Unpaid Provident Fund	39,823	34,894
	4 Tax Deducted at Sources	1,17,840	1,52,400
	5 Unpaid E.S.I	10,160	8,865
	6 Unpaid Central Excise Duty (Closing Stock)	1,04,71,060	87,44,544
	7 Interest Payable	-	5,32,789
	8 Unpaid Service Tax	42,985	5,633
	9 Unpaid CST	-	77,620
	10 Unpaid Bonus	76,969	1,30,260
	11 Unpaid Taxation Matter Fees	1,27,950	1,02,360
	12 Provision For Audit Fees	1,78,000	2,04,720
	13 Unpaid Salary & Wages	47,61,259	43,55,707
	TOTAL	3,85,38,358	3,37,62,505

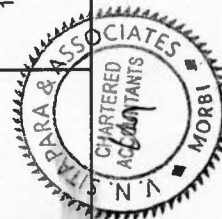
9	SHORT TERM PROVISIONS		
	Provision for current tax		
	As per last balance sheet	80,35,837	40,86,177
	Additions during the year	2,04,75,000	1,07,00,000
	Amount adjusted during the year	(80,35,837)	(40,86,177)
	Less: Set off against taxes paid	(1,01,31,242)	(26,64,163)
	TOTAL	1,03,43,758	80,35,837



Note: 10 to the Financial Statements
Non-Current Assets

(A) TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK (At Cost)						DEPRECIATION				NET BLOCK		Rate of Depreciation (in %)
	As on 01/04/2014	Additions		Sales adjustments / CENVAT	Total As on 31/03/2015	Up to 31/03/2014	FOR the year	Adj. on Change in Rate	Adj. on Sales	Total As on 31/03/2015	As at 31/03/2015	As at 31/03/2014	
		01/04/2014 to 30/09/2014	1/10/2014 to 31/03/2015										
Factory Land	29,03,800	-	-	-	-	-	-	-	-	-	29,03,800	29,03,800	0.00%
Site Development	9,85,949	-	-	-	-	-	-	-	-	-	9,85,949	9,85,949	0.00%
Shed Construction	2,17,37,016	-	-	2,17,37,016	1,13,39,589	10,26,750	(4,10,463)	-	1,19,55,876	97,81,140	1,03,97,427	1,03,97,427	9.50%
Factory Buildg.(Expansion)	2,74,21,005	-	-	2,74,21,005	48,85,900	21,62,900	(2,32,258)	-	68,16,542	2,06,04,463	2,25,35,105	2,25,35,105	9.50%
PLANT & MACHINERY													
Imported Machinery	7,03,31,153	-	31,76,818	7,17,32,393	4,08,12,471	41,72,300	-	13,30,390	4,36,54,381	2,80,78,013	2,95,18,683	2,95,18,683	13.91%
Indegenious Machinery	2,69,19,402	-	-	2,69,19,402	1,70,69,191	13,70,164	-	-	1,84,39,356	84,80,046	98,50,210	98,50,210	13.91%
New Machinery	1,52,80,450	8,07,000	-	1,60,87,450	60,48,002	13,72,340	-	-	74,20,342	86,67,108	92,32,448	92,32,448	13.91%
New Machinery	1,23,85,349	-	-	1,23,85,349	56,32,142	9,39,371	-	-	65,71,513	58,13,836	67,53,207	67,53,207	13.91%
Indege. Machi.(Expansion)	5,77,87,221	-	-	5,77,87,221	1,50,25,091	59,48,212	-	-	2,09,73,303	3,68,13,918	4,27,62,131	4,27,62,131	13.91%
Import Machi. (Expansion)	5,69,94,528	-	-	5,69,94,528	1,48,72,883	58,59,121	-	-	2,07,32,004	3,62,62,524	4,21,21,645	4,21,21,645	13.91%
Digital Printing Machine A/c.	2,85,09,357	-	-	2,85,09,357	39,65,044	34,14,114	-	-	73,79,158	2,11,30,199	2,45,44,313	2,45,44,313	13.91%
Electrification	2,41,956	-	-	2,41,956	1,57,672	11,724	-	-	1,69,396	72,560	84,284	84,284	13.91%
Generator	13,09,557	-	-	13,09,557	4,32,957	1,21,935	-	-	5,54,892	7,54,665	8,76,600	8,76,600	13.91%
Lab Instrument	1,73,801	7,68,602	-	9,42,403	84,480	92,479	-	-	1,76,959	7,65,444	89,321	89,321	13.91%



Office Equipments	9,90,415	1,55,625	-	11,46,040	3,97,190	1,01,272	-	4,98,462	6,47,578	5,93,225	13.91%
Office Furniture	26,41,541	1,21,266	-	27,62,807	15,29,453	2,23,042	3,44,510	20,97,005	6,65,802	11,12,088	25.89%
Office Const.	1,82,052	-	-	1,82,052	85,302	9,502	(3,270)	91,534	90,518	96,750	9.50%
Computer	6,40,392	-	46,502	6,86,894	5,20,047	38,582	69,610	6,28,239	58,654	1,20,344	63.16%
Motor Car Innova	9,88,600	-	9,88,600	-	7,86,561	1,02,238	65,720	0	(0)	2,02,039	31.23%
Motor Car Ertiga	-	10,28,664	-	10,28,664	-	24,852	-	24,852	10,03,812	-	31.23%
Motor Cycle	-	56,963	-	56,963	-	1,858	-	1,858	55,105	-	25.89%
Motor Cycle	45,013	-	-	45,013	24,557	5,296	-	29,853	15,160	20,456	25.89%
CURRENT YEAR	32,84,68,556	18,52,493	43,08,947	33,18,65,818	12,36,68,532	2,69,98,052	(1,66,151)	14,82,15,524	18,36,50,294	20,48,00,024	
PREVIOUS YEAR	32,41,80,519	22,25,621	21,96,792	32,84,68,556	9,30,10,521	3,06,58,011	-	12,36,68,532	20,48,00,024	23,11,69,998	



11	LONG TERM LOANS AND ADVANCES (Considered good, unless otherwise stated)		
	SECURITY DEPOSITS (Secured)		
	1 N. S. C. Deposits with Sales Tax Dept. Kerala	75,000	75,000
	Total Rs..	75,000	75,000
	SECURITY DEPOSITS (Unsecured)		
	1 H. D. F. C. Bank Ltd. F. D. A/c. No. 307527000049	-	7,25,000
	2 H. D. F. C. Bank Ltd. F. D. A/c. No. 307527000083	2,70,000	2,70,000
	3 S. B. I. F. D. A/c. - EPCG	6,25,000	6,25,000
	4 S. B. I. F. D. A/c. - 30665089457	28,67,284	28,67,284
	5 S. B. I. F. D. A/c.No.-32189326236 (GSPC)	31,48,640	31,48,640
	6 S. B. I. F. D. A/c.No.-32189319581 (GSPC)	5,77,698	5,77,698
	7 S. B. I. F. D. A/c.No.-32193934464 (PGVCL)	13,64,000	13,64,000
8 S. B. I. F. D. A/c. No - 32906904477	-	2,61,148	
9 S. B. I. F. D. A/c. No - 32906910083	-	2,61,148	
10 S. B. I. F. D. A/c. No - 32906910764	-	7,83,446	
11 S. B. I. F. D. A/c. No - 32906911394	-	7,83,446	
12 S. B. I. F. D. A/c.No.-32567471285	22,58,092	22,58,092	
13 S. B. I. F. D. A/c.No.-32567472325	-	3,25,820	
14 S. B. I. F. D. A/c.No.-32457751110	-	4,36,163	
15 S. B. I. F. D. A/c.No.-33152133428	-	8,05,000	
16 S. B. I. F. D. A/c.No.-33309438688	-	13,68,500	
17 S. B. I. F. D. A/c.No.-33309440799	-	5,63,500	
Total Rs..	1,11,10,714	1,74,23,885	
OTHER ADVANCES			
Central Excise Duty Advance (D. G. C. E. I.) A/c.	69,34,453	69,34,453	
VAT/CST Advance	73,88,887	-	
TOTAL	2,55,09,054	2,44,33,338	

12	INVENTORIES		
	Raw Material	1,34,84,082	1,55,85,130
	Work In Progress	58,51,500	31,55,558
	Finished Goods	6,98,59,919	6,06,83,815
	Stores & Spares	88,76,721	94,96,172
	Others - Fuel	3,04,084	4,98,624
TOTAL	9,83,76,306	8,94,19,299	

Inventories include material in transit

a Inventory items have been valued considering the significant accounting policy no.04 disclosed in Note no. 1 to these financial statement.

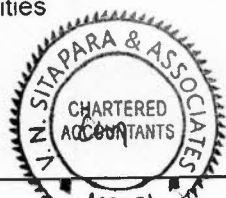
b Other inventories include items of diesel.



13	TRADE RECEIVABLES			
	(Considered good, unless otherwise stated)			
	a) Debts outstanding for a period exceeding six months			
	- Considered Good		13,18,369	8,05,821
	- Considered Doubtful		2,24,512	31,20,487
	Less: Provision for Bad & Doubtful Debts		-	-
	Total		15,42,881	39,26,308
	b) Other Debts			
	- Considered Good		8,42,70,496	7,53,33,382
	Total		8,42,70,496	7,53,33,382
Grand Total		8,58,13,377	7,92,59,690	

14	CASH & BANK BALANCES			
	<u>Cash & Cash Equivalents</u>			
	<u>Balances with banks</u>			
	1 H. D. F. C. Bank A/c. No-3072790000287		1,04,389	5,11,602
	2 H. D. F. C. Bank A/c. No-3072320001249		2,13,643	8,83,659
	3 Co-op Bank of Raj Ltd. - Morbi Current A/c.		20,110	20,106
	4 State Bank of India - Morbi Current A/c.		24,073	30,113
	5 Indusind Bank - Morbi Current A/c.		-	163
	6 S.B.I. Current A/c. No. 30398609902		1,31,596	5,10,817
	7 Union Bank of India Current A/c. No. 36058		-	77
8 SBI No lien A/c. No. 32185369263		34,97,620	34,99,450	
9 HDFC Bank Power Trading A/c 00990680037486		1,52,591	-	
Total		41,44,022	54,55,986	
Cash on hand		7,96,924	9,24,492	
Grand Total		49,40,946	63,80,478	

15	SHORT TERM LOANS AND ADVANCES			
	ADVANCES			
	Un-Secured (Considered Good)			
	a) Advances Recoverable in cash or Kind or for value to be received		33,72,909	20,35,587
	b) Prepaid Insurance		4,03,451	3,93,788
	c) Prepaid Bank Commission & Charges		6,42,027	2,60,325
	d) Prepaid Legal Fees		22,055	-
	e) Balance With Custom Authorities(Against EPCG)		9,87,892	-
	f) Balance with Excise Authorities		18,81,184	52,42,872
	g) VAT Receivables		17,75,737	-
Total		90,85,255	79,32,572	



16	REVENUE FROM OPERATIONS:		
	SALES OF PRODUCTS		
	1 Floor Tiles	1,26,14,36,094	1,06,69,49,301
	Other Operating Revenue		
	1 Wastage & Scrap Sales	2,24,280	2,00,000
		1,26,16,60,374	1,06,71,49,301
	Less:		
	Trade Discount Exp.	2,61,28,341	2,26,96,147
	Quantity Discount on Volume Sales	43,99,423	22,68,500
	Rate Diff. & Material Diff. Debit Note Exp.	39,78,283	3,26,571
	Total	1,22,71,54,327	1,04,18,58,083

17	OTHER INCOME		
	Interest		
	From others To Specify		
	1 Bank F. D. Interest	11,23,365	14,82,495
	Miscellaneous Income		
	1 Mobile Tower Rent Income	1,89,000	1,82,825
	2 kasar	13,495	58,356
	3 Foreign Exchange Fluctuation Gain	7,521	(47,080)
	4 Insurance on Sales	23,357	-
	5 Export Incentive Income(Duty Rebate)	15,86,397	8,19,869
	Total	29,43,135	24,96,465

18	COST OF MATERIAL CONSUMED		
	1 Body Material Consumed	19,93,40,146	17,10,08,130
	2 Frit, Glaze Material, Colour & Chemicals Consumed	21,02,42,511	16,75,01,165
	3 Packing Material Consumed	8,62,42,027	5,40,34,089
	4 Others (Vat on Raw-material)	91,98,457	78,15,322
	Total	50,50,23,142	40,03,58,706



19	CHANGES IN INVENTORIES		
	<u>Stock as on 01.04.2014</u>		
	<u>Finished Goods</u>	6,06,83,815	5,07,21,287
	<u>Stock in Process</u>	31,55,558	65,13,752
	" A "	6,38,39,373	5,72,35,039
	<u>Stock as on 31.03.2015</u>		
	<u>Finished Goods</u>	6,98,59,919	6,06,83,815
	<u>Stock in Process</u>	58,51,500	31,55,558
	" B "	7,57,11,419	6,38,39,374
	A - B	(1,18,72,046)	(66,04,335)

20	EMPLOYEE BENEFITS EXPENSE		
	Salaries and wages (Direct)	5,21,82,875	4,40,08,435
	<u>Salaries and wages (Indirect):</u>		
	1 Director's Remuneration	5,40,000	4,80,000
	2 Bonus	76,969	1,30,260
	3 Office & Marketing Staff Salary	42,83,000	37,11,100
	Contribution to provident and other funds	2,44,823	2,12,831
	Employee ESI	89,704	2,29,090
	Staff welfare expenses	14,73,965	14,47,020
	Professional Tax of Employees	6,29,080	-
	Total	5,95,20,416	5,02,18,736

21	FINANCE COSTS		
	INTEREST ON :		
	a) Bank Loan & Borrowings		
	1 Bank Loan Interest	50,59,968	71,01,813
	2 Bank CC Interest	1,08,56,486	1,24,57,991
	3 Vehicle Loan Interest	1,21,333	2,13,349
	4 Reliance Capital Ltd Term Loan Interest	20,75,270	27,23,707
	Total (a) Rs..	1,81,13,057	2,24,96,860
	b) Interest to Others:		
	1 Interest paid on Unsecured Loan	2,82,257	38,61,287
	2 Interest paid on others	-	1,19,043
	Total (b) Rs..	2,82,257	39,80,330
	Other Borrowing Cost		
	1 Bank Charges & Commission Exp.	6,52,989	10,50,429
	2 L C Discounting Charges	7,05,506	-
	Total (c) Rs..	13,58,495	10,50,429
	Grand Total (A + B + C)	1,97,53,810	2,75,27,619



22 ADMINISTRATION & OTHER EXPENSES			
a) Other Manufacturing Expenses			
1	Stores Spares Consumed	2,20,58,787	4,07,94,188
2	Power and Fuel	34,57,00,878	28,71,16,051
3	Water Exp.	29,47,300	25,03,800
4	Excise Duty on Stocks	17,26,516	(18,92,494)
Total (a) Rs..		37,24,33,481	33,23,06,533
b) Repairs and Maintenance Expenses :			
1	Machinery Maintenance	1,36,51,267	1,04,69,321
2	Factory Shed Repairing Exp.	7,63,143	6,24,720
3	Others	2,37,547	1,64,705
Total (d) Rs..		1,46,51,957	1,12,58,746
c) GENERAL ADMINISTRATIVE EXPENSES :			
1	Electric Inspection Charges	2,856	5,000
2	Interest paid on others	19,672	6,678
	Legal Fees	7,20,204	5,61,589
4	Office Misc. Exp.	5,95,637	5,52,010
5	Stationery Exp.	3,75,316	3,23,268
6	Security Charges	3,62,500	-
7	Postage & Telegram exp.	56,573	1,85,995
8	Telephone Exp.	3,93,418	5,55,694
9	R. O. C. Filing Fees	7,200	4,000
10	Travelling Exp.	48,285	3,93,024
11	Vehicle Exp.	20,94,438	17,15,744
12	Membership Fees	1,31,180	-
13	Laboratory, R & D Charges	2,43,853	2,12,075
14	Insurance	4,94,688	7,78,086
15	Service Tax and Excise Exp.	71,489	3,465
16	Bad Debts Written Off	30,85,904	72,41,924
17	VAT (Assessment) Tax Exp.	-	53,770
18	Sizing Waste Removal Exp.	9,52,850	5,66,627
19	Bank Commission & Charges	1,87,838	2,98,047
20	Taxation Matter Fees	1,40,450	1,00,000
1	Interest on TDS Late Payment	3,682	6,678
Loss On Sale of Fixed Assets		2,29,763	-
<u>Auditors Remuneration</u>			
1	Audit Fees	2,00,000	2,00,000
2	Internal Audit Fees	1,25,000	1,00,000
3	Reimbursement of Internal Audit Expenses	30,717	30,660
Total (c) Rs..		1,05,73,513	1,38,94,335
d) SELLING & DISTRIBUTION EXPENSES			
1	Export Transportation	36,91,730	9,22,522
2	Export Exp.	7,54,719	3,43,380
3	Advertisement & Sales Promotion Exp.	46,680	12,000
4	Freight Outward Exp.	64,800	-
Total (d) Rs..		45,57,929	12,77,902
Grand Total (a+b+c+d) Rs..		40,22,16,880	35,87,37,515



SORISO CERAMIC PRIVATE LIMITED

Note No 23.

		AS AT 31.03.2015	AS AT 31.03.2014
1	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	NIL	NIL
2	Letters of Credit opened in favour of inland/overseas suppliers (Net)	NIL	NIL
3	Contingent Liabilities not provided for (excluding matters separately dealt with in the notes):		
	In respect of Excise Duty pending before various authorities and in dispute. (Rs. In Lacs)	69.34	69.34
	In respect of VAT/CST before Sales Tax Department (Rs. In Lacs)	394.38	NIL

4.	Salary includes following remuneration to the Managing Director, Jt. Managing Director & Whole Time Director		Year Ended 31.03.2015	Year Ended 31.03.2014
	- Salary		5,40,000	4,80,000
	- Perquisites		NIL	NIL
	- Contribution to Provident Fund		NIL	NIL
5	Details of registered & installed capacities and production	Unit	2014-15	2013-14
	a) Registered Capacity	Sq Mtrs	N.A.	N.A.
	b) Installed Capacity*			
	- Tiles	Sq Mtrs	44,92,800	44,92,800
	c) Production			
	- Tiles	Sq Mtrs	43,20,520	36,88,582

* As certified by the Management and relied on by the Auditors being a technical matter.



6.	Value of Imports on CIF basis:	(Rs.)	(Rs.)
	• Capital Goods	31,76,818	7,49,959
7.	Expenditure in Foreign Currency (on accrual basis) :	NIL	NIL
8.	Earnings in Foreign Currency :	2014-15	2013-14
	FOB Value of Exports (Rs.)	5,00,99,557	2,22,58,997
		\$ 7,27,658	\$ 3,90,407

9.	Value of imported and indigenous raw material consumed and the percentage of each to total consumption:	%	2014-15	%	2013-14
	Imported	0	0	0	0
	Indigenous (Rs. In Lacs)	100	4187.81	100	3463.25

10.	Dues to Small, Micro & Medium Enterprises #:	2014-15	2013-14
	1. Principal amount due and remaining unpaid	0.00	0.00
	2. Interest due on (1) above and the unpaid interest	0.00	0.00
	3. Interest paid on all delayed payments under MSMED Act	0.00	0.00
	4. Payment made beyond the appointed date during the year	0.00	0.00
	5. Interest due and payable for the period of delay other than (3) above	0.00	0.00
	6. Interest accrued and remaining unpaid	0.00	0.00
	7. Amount of further interest remaining due and payable in succeeding years	0.00	0.00

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

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



12. In the opinion of the Management current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.
13. To comply with the guidance note on "Accounting Treatment of Excise Duty" issued by Institute of Chartered Accountants of India, excise duty amounting to Rs. 104.71 Lacs has been included in the value of inventories as on 31.03.2015 and the corresponding amount of Excise Duty payable has been included in other liabilities. However, this accounting policy has no impact on the profit for the year.
14. Tax Expense is the aggregate of current year income tax and deferred tax charged to the Profit and Loss Account for the year.

a) Current Year Charge:

Income Tax provision of Rs. 204.75 Lacs has been made on regular income .

b) Deferred Tax

The Company estimates the deferred tax charge using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The movement of provision for deferred tax is given below:

Particulars	Opening as at 1.4.2014 (Rs. Lacs)	Charge/(credit) during the year (Rs. Lacs)	Closing as at 31.3.2015 (Rs. Lacs)
Arise due to change in Depreciation	107.02	5.38	112.40
Net Deferred Tax Liability	107.02	5.38	112.40

15. Related Party Disclosures:

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

A. Relationships

I. Key Management Personnel

Name	Designation
Rajendrakumar G. Dhamasana	Director
ManojBhai V. Kakasaniya	Director
Alok Kumar	Director
R. N. Pareek	Director

II. Associates/Enterprises over which key management personnel are able to exercise significant influence

Kajaria Ceramics Limited (Holding Company)
Face Impex Private Limited



- B. The following transactions were carried out with related parties in the ordinary course of business:-

Related Party Transactions	(Rs. in Lacs)		
	Key Management Personnel & Relatives	Others	Holding Company
Purchase of Goods	-	138.51	-
Sale of Goods	-	-	8363.84
Interest Paid	1.70	-	1.12
Remuneration	5.40	-	-

16. **Segmental Reporting:**

The business activity of the company falls within one broad business segment viz "Ceramic 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 AS-17 of The Institute of Chartered Accountants of India. Hence the disclosure requirement of Accounting Standard 17 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

17. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earning per share:

	Year ended 31.03.2015	Year ended 31.03.2014
Profit attributable to the Equity Shareholders – (A) (Rs.)	3,90,58,413	2,67,87,128
Basic/ Weighted average number of Equity Shares outstanding during the year (B)	30,00,000	30,00,000
Nominal value of Equity Shares (Rs)	10	10
Basic/Diluted Earnings per share (Rs) – (A)/(B)	13.02	8.93
Calculation of profit attributable to Shareholders		
Profit Before Tax	6,06,50,027	4,04,86,028
Less : Income Tax/Wealth Tax Adjustment	5,78,407	3,72,393
Less : Income Tax Provision	2,04,75,000	1,07,00,000
Less : Deferred Taxation	5,38,207	26,26,506
Profit attributable to Shareholders	3,90,58,413	2,67,87,128

18. M/s. Soriso Ceramic Pvt. Ltd. Is the subsidiary company of M/s. Kajaria Ceramics Ltd.
19. Previous year figures have been regrouped / recast wherever necessary.



20. To mitigate the requirements of The Companies Act, 2013 company has changed rate of depreciation in consonance with useful life of the assets as required under the provisions of the companies act,2013.And the effect of the same has been given by way of adding/(deducting) in Reserve & Surpluse of the company.Useful life of the assets being technical matter same has been decided by the management of the company.

21. Company has contingent liabilities of VAT/CST & Excise Duty as above mentioned in point No. 3.However, Company has filed appeal before appallate authorities by paying some percentage advance as shown in Balance Sheet which is under :

VAT/CST	:	Rs. 73.89 lacs
Excise Duty	:	Rs. 69.34 lacs


**SIGNATURE TO THE NOTE 1 TO 23
IN TERMS OF OUR REPORT OF EVEN
DATE ANNEXED**

FOR AND ON BEHALF OF THE BOARD

**FOR V.N. SITAPARA & ASSOCIATES.
CHARTERED ACCOUNTANTS**


DIRECTOR

Sitapara V N


DIRECTOR

**PLACE : MORBI
DATED : 06.04.2015**

PROPRIETOR

