SILICA CERAMICA PRIVATE LIMITED
2017-18

INDEPENDENT AUDITOR'S REPORT
To The Members of SILICA CERAMICA PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SILICA CERAMICA PRIVATE LIMITED (''the Company''), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the 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 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income. cash flows and changes in equity of the Company in accordance 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.

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 judgements 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.
In conducting 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 thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, based on our audit we report that :

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

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

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

   d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". 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, as amended, 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 Note 4.03 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 Borkar & Muzumdar
Chartered Accountants
Firm Reg No. 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

Place: Mumbai
Date: 17-05-2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Silica Ceramica Private Limited of even date)

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the financial statements for the year ended March 31, 2018 we report that:

i. **Fixed Assets**

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

b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size and nature of the Company. Discrepancies notices on such physical verification have been properly dealt in the books of accounts.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. a. Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.

b. 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 have been properly dealt with in the books of account.

iii. The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products manufactured by the Company.

vii. **Statutory Dues**

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales tax, excise duty, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

b. According to the information and explanations given to us, there are no material dues of duty of customs, excise duty, sales tax, service tax, value added tax, goods and service tax, employees' state insurance which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of Dues	Amount in Lakhs	Forum where dispute is pending
Income Tax act-1961	Income Tax	80.92	Commissioner of Income tax (Appeals)

viii. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank and government.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were utilised for the purpose for which they were obtained.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration. Accordingly, paragraph 3(xi) of the order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013. Details of such transactions with the related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standard.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and complied with the requirements of section 42 of the Companies act, 2013. The amounts raised have been used for the purposes for which the funds were raised. The Company has not issued any fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 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 Act 1934.

For Borkar & Muzumdar
Chartered Accountants
Firm Reg No. 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

Place: Mumbai
Date: 17-05-2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Silica Ceramica Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of **SILICA CERAMICA PRIVATE LIMITED** ("the Company") as of March 31,2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by Institute of Charted Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Borkar & Muzumdar
Chartered Accountants
Firm Reg No. 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

Place: Mumbai
Date: 17-05-2018

Silica Ceramica Private Limited
Balance Sheet as at March 31, 2018 - -
All amounts are in Lakhs unless otherwise stated

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.01	16,776.93	17,421.01
Capital work-in-progress		22.69	151.48
Investment Property		-	-
Goodwill		-	-
Other Intangible assets	2.02	0.13	3.57
Intangible assets under development			
Financial assets			
Investments		-	-
Trade Receivables	2.03	-	-
Loans	2.04	463.43	465.71
Other financial assets	2.05	-	-
Deferred tax assets (Net)	2.06	791.33	940.47
Other non-current assets	2.07	260.92	2,330.48
Total non-current assets		**18,315.43**	**21,312.72**
Current Assets			
Inventories	2.08	4,841.91	6,333.92
Financial Assets			
Investments			
Trade Receivables	2.03	2,787.48	1,906.59
Cash and cash equivalents	2.09	104.81	40.15
Bank balances other than 2.09 above	2.09	55.78	117.04
Loans	2.04	1.44	0.41
Other financial assets	2.05	36.61	40.62
Current tax assets (Net)	2.10	46.03	40.49
Non-current assets classified as held for sale			
Other current assets	2.07	3,955.91	2,378.60
Total current assets		**11,829.97**	**10,857.82**
Total assets		**30,145.40**	**32,170.54**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2.11	6,160.83	3,456.04
Other Equity	2.12	-1,119.48	1,956.55
Total equity		**5,041.35**	**5,412.59**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.13	13,082.87	14,892.86
Trade payables	2.14	-	-
Other financial liabilities	2.15	-	-
Provisions	2.16	56.32	46.16
Deferred tax liabilities (Net)			
Other non-current liabilities	2.17	-	-
Total non-current liabilities		**13,139.19**	**14,939.02**
Current liabilities			
Financial Liabilities			
Borrowings	2.13	3,498.84	3,285.82
Trade payables	2.14		
Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		1,884.02	2,669.61
Other financial liabilities	2.15	6,335.97	3,888.15
Other current liabilities	2.17	209.02	1,941.52
Provisions	2.16	37.01	33.83
Current Tax Liabilities (Net)		-	-
Liabilities directly associated with assets classified as held for sale			
Total current liabilities		**11,964.86**	**11,818.93**
Total equity and liabilities		**30,145.40**	**32,170.54**

Summary of Significant Accounting Policies **1**
The notes form an Integral part of the financial statements
As per our report of even date

For and on behalf of Borkar & Muzumdar,
Chartered Accountants
Firm Reg No. 101569W

For and on behalf of the Board

sd/-

CA Nandan Pai
Partner
Membership No: 109394

sd/-

S P Rajendran
Director
DIN: 07717655

sd/-

Prem Narayan Trivedi
Director
DIN: 00535201

sd/-

Jagruti Shah
Company Secretary

Place : Mumbai
Date : 17th May,2018

Silica Ceramica Private Limited
Statement of Profit or Loss and Other Comprehensive Income for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	3.01	13,563.43	16,414.84
Other income	3.02	42.33	185.91
Total Income		**13,605.76**	**16,600.75**
Expenses			
Cost of materials consumed	3.03	4,919.42	5,570.12
Purchase of stock-in-trade	3.04	45.31	49.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.05	854.06	413.28
Excise duty on sale of goods		435.08	2,097.93
Manufacturing expenses	3.06	5,286.89	6,420.22
Employee benefits expense	3.07	1,672.04	1,797.58
Finance costs	3.08	2,515.00	2,891.40
Depreciation and amortization expense	3.09	1,000.81	1,019.19
Other expenses	3.10	570.90	467.48
Total Expenses		**17,299.51**	**20,726.43**
Profit / (loss) before exceptional items and tax		-3,693.75	-4,125.68
Exceptional items		-	-
Profit / (loss) before tax		**-3,693.75**	**-4,125.68**
Tax expenses			
Current tax		-	-
Deferred tax		149.14	-
Income-tax liability/(write back) of earlier years		-	-
		149.14	**-**
Profit / (loss) for the period from continuing operations		**-3,842.89**	**-4,125.68**
Profit / (loss) for the period from discontinued operations before tax		-	-
Tax expense of discontinued operations		-	-
Profit / (loss) for the period from discontinued operations (after tax)		-	-
Profit/ (loss) for the period		**-3,842.89**	**-4,125.68**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		-4.13	-5.53
Equity instruments through other comprehensive income			
		-4.13	-5.53
Income tax relating to items that will not be reclassified to profit or loss	3.14	-	-
Total other comprehensive income		**-4.13**	**-5.53**
Total comprehensive income for the period		**-3,847.02**	**-4,131.21**
Earnings per equity share (for continuing operations) :			
Basic (in ₹)		-10.82	-23.23
Diluted (in ₹)		-10.82	-23.23
Earnings per equity share (for discontinued operations) :			
Basic (in ₹)		-	-
Diluted (in ₹)		-	-
Earnings per equity share (for discontinued and continuing operations) :			
Basic (in ₹)		-10.82	-23.23
Diluted (in ₹)		-10.82	-23.23
Summary of Significant Accounting Policies	**1**		

The notes form an Integral part of the financial statements
As per our report of even date

For and on behalf of Borkar & Muzumdar,
Chartered Accountants
Firm Reg No. 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

For and on behalf of the Board

sd/-

S P Rajendran
Director
DIN: 07717655

sd/-

Prem Narayan Trivedi
Director
DIN: 00535201

sd/-

Jagruti Shah
Company Secretary

Place : Mumbai
Date : 17th May,2018

Silica Ceramica Private Limited
Statement of Cash Flows for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit Before Tax from Continuing Operations	(3,697.88)	(4,131.21)
Profit Before Tax from Discontinuing Operations	-	-
Profit before income tax including discontinued operations	**(3,697.88)**	**(4,131.21)**
Non-cash Adjustment to Profit Before Tax:		
Depreciation and amortization expense	1,000.81	1,019.19
Gain on disposal of property, plant and equipment	-	-
Loss on disposal of property, plant and equipment	0.67	28.79
Interest income classified as investing cash flows	(7.96)	(13.52)
Finance costs	2,515.00	2,891.40
Unrealised foreign currency gains and losses	(5.84)	(10.62)
	(195.20)	(215.97)
Change in operating assets and liabilities :		
Decrease/(increase) in trade receivables	(880.89)	2,478.50
Decrease/(increase) in inventories	1,492.01	652.66
Decrease/(increase) in other financial assets	4.01	(3.47)
Decrease/(increase) in other non-current assets	2,071.84	(69.73)
Decrease/(increase) in other current assets	(1,582.78)	365.35
Increase/(decrease) in trade payables	(779.75)	(1,873.15)
Increase/(decrease) in employee benefit obligations	13.34	10.35
Increase/(decrease) in other financial liabilities	600.23	(2,270.98)
Increase/(decrease) in other current liabilities	(1,732.50)	1,126.44
Cash generated from operations	(989.69)	200.00
Direct taxes paid (net of refunds)	-	-
Net cash flow from/(used in) operating activities (A)	**(989.69)**	**200.00**
Cash flow from investing activities		
Payments for acquisition of property, plant and equipment including capital advances	(226.17)	(625.48)
Margin Money with banks invested	132.69	36.52
Margin Money with banks withdrawn	(71.43)	(23.67)
Advances to employees and other parties	(25.06)	(21.13)
Proceeds from sale of property, plant and equipment	1.00	-
Repayment of advances by employees and other parties	23.96	22.02
Interest received	7.96	13.52
Net cash flow from/(used in) investing activities (B)	**(157.05)**	**(598.22)**
Cash flows from financing activities		
Proceeds from borrowings	250.62	15,000.00
Repayments of borrowings	-	(14,999.24)
Proceeds from Issue of Shares including share premium net of share issue expenses	3,475.78	3,483.80
Repayment of short-term borrowings	-	(304.41)
Finance Cost	(2,515.00)	(2,891.40)
Net cash flow from/(used in) in financing activities (C)	**1,211.40**	**288.75**
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	**64.66**	**(109.47)**
Effect of exchange differences on cash & cash equivalent held in foreign currency		
Cash and cash equivalents at the beginning of the year	40.15	149.62
Cash and cash equivalents at the end of the year	**104.81**	**40.15**
Non-cash financing and investing activities		
Acquisition of property, plant and equipment by means of finance lease	-	-
	-	-
Reconciliation of cash and cash equivalents as per the cash flow statement :		
Cash and cash equivalents	104.81	40.15
Bank overdrafts	-	-
Balance as per the cash flow statement :	**104.81**	**40.15**

Disclosure in terms of Para 44A of IND AS 7 'Statement of Cash flows".
Details of Changes in Liabilities arising from Financing activities

	Particulars	**Year ended March 31, 2018**
	Changes due to	
a	Changes from Financing cash flows	3,713.02
b	Effect of Changes in Foreign exchange Rates	-
c	Other Changes including 1.Changes on account of amortisation of Borrowing costs under Effective Interest rate Method	37.60
	2. Transaction costs on issue of Equity Shares	-24.22
	3. Finance costs	-2,515.00
	Total	**1,211.40**

Summary of Significant Accounting Policies 1
The notes form an Integral part of the financial statements
As per our report of even date
For and on behalf of Borkar & Muzumdar,
Chartered Accountants
Firm Reg No. 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

For and on behalf of the Board

sd/- sd/-

S P Rajendran — **Director** — **DIN: 07717655**
Prem Narayan Trivedi — **Director** — **DIN: 00535201**

sd/-

Jagruti Shah
Company Secretary

Place : Mumbai
Date : 17th May,2018

Silica Ceramica Private Limited
Statement of changes in equity for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

Equity share capital	*Amount*
Balance at April 1, 2016	1,668.50
Changes in equity share capital during the year	1,787.54
Balance at March 31, 2017	**3,456.04**
Changes in equity share capital during the year	2,704.79
Balance at March 31, 2018	**6,160.83**

Silica Ceramica Private Limited
Statement of changes in equity for the year ended March 31, 2018 - continued
All amounts are in Lakhs unless otherwise stated

Other equity	Reserves and Surplus				Items of Other Comprehensive Income		
	Other Equity Representing Fair value of the Financial Guarantee provided by parent Company	Securities Premium Reserve	General reserve	Retained earnings	Remeasurements of the defined benefit plans	Items of Other Comprehensive Income	Total
Balance at April 1, 2017	**478.07**	**14,367.03**	**-**	**-12,888.55**	**-**	**-**	**1,956.55**
							-
Profit for the year	-	-	-	-3,842.89	-	-	-3,842.89
Other comprehensive income	-	-	-	-	-4.13	-	-4.13
Total comprehensive income for the year	**478.07**	**14,367.03**	**-**	**-16,731.44**	**-4.13**	**-**	**-1,890.47**
Share issue expenses	-	-24.22	-	-	-	-	-24.22
Transfer to retained earnings	-	-	-	-4.13	4.13	-	-
Additions during the year	-	795.21	-	-	-	-	795.21
Balance at March 31, 2018	**478.07**	**15,138.02**	**-**	**-16,735.57**	**-**	**-**	**-1,119.48**

Silica Ceramica Private Limited

Notes to the Financial Statements for the year ended March 31, 2018

Background

Silica Ceramica Private Limited, a Private Limited Company incorporated under the Companies Act,1956, is a currently a subsidiary of Prism Cement Limited with holding of 616,08,283 equity shares (99.82%). The Company is engaged in the business of manufacturing of Vitrified Floor Tiles.

Silica Ceramica Private Limited is incorporated and domiciled in India having its registered office at Narayanapuram Unguturu Mandal Narayanapuram Andhra Pradesh 534407 India

Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 17th May 2018.

Application of new and revised Ind ASs

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the 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 amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company is in the process of evaluating the impact of the standard.

Summary of significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the presentation of the stand alone financial statements.

1. Basis of Preparation

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis,except for the following:

a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
b) defined benefit plans -plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Rupees in lakhs, except where otherwise indicated.

3. Current versus non-current classification

The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle;
b) held primarily for the purpose of trading;
c) expected to be realised within twelve months after the reporting period; or
d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) it is expected to be settled in normal operating cycle;
b) it is held primarily for the purpose of trading;
c) it is due to be settled within twelve months after the reporting period; or
d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

4. Use of judgements, estimates & assumptions

While preparing financial statements in conformity with Ind AS, the Company makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

a) Assessment of functional currency;
b) Fair value of Financial Assets and Financial liabilities;
c) The useful lives of, or expected pattern of consumption of the future economic benefits embodied in, depreciable assets;
d) Valuation of inventories and Inventory obsolescence;
e) Warranty obligations
f) Measurement of recoverable amounts of cash-generating units;
g) Assets and obligations relating to employee benefits;
h) Provisions and Bad Debts;
i) Evaluation of recoverability of deferred tax assets; and
j) Contingencies.

5. Revenue Recognition

(i) Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods at which time all of the following conditions are satisfied:

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates but does not include Value added tax (VAT), Central Sales tax (CST) and Goods and Service tax (GST).

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account revenue includes excise duty.

6. Property, Plant and equipment

a) Property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

b) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Cost of major inspection is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit or Loss as incurred.

c) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

d) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted prospectively.

e) Free hold Land is not depreciated. Lease arrangements for land are identified as finance lease in case such arrangements result in transfer of the related risks and rewards to the Company.

f) Stores and Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

g) Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II. The estimated useful life of assets are as follows:

Assets	Useful life of asset
Building	3 year to 60 year
Plant and Machinery	3 year to 25 years
Electrical Installations	2 years to 25 years
General Lab Equipment	5 years
Office Equipment	1 year to 10 Years
Computer Equipment	3 Years
Furniture and fixtures	5 to 10 years
Vehicles	1 year to 8 years
Machinery spares	Over the useful life of the related assets

Depreciation on stores and spares specific to an item of property, plant and equipment is based on life of the related property, plant and equipment.

h) In line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components has been assessed based on the historical experience and internal technical inputs which varies from 2 to 40 years.

i) All assets costing up to Rs. 5,000/-, are fully depreciated in the year of capitalization.

7. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

Cost of Software directly identified with hardware is capitalised along with the cost of hardware. Application software is capitalised as Intangible Asset.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of intangible assets (acquired) are as follows:

Assets	Useful life of asset
Software	5 years

Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate the following:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
b) Its intention to complete the asset;
c) Its ability to use or sell the asset;
d) the asset will generate future economic benefits;
e) The availability of adequate resources to complete the development and use or sell the asset;
f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

8. Impairment of Assets

Carrying amount of Tangible and Intangible Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

9. Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity.Cost of finished goods includes excise duty and is determined on a weighted average basis. Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories and depots as on the Balance Sheet date.

Traded Goods are valued on weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

10. Trade Receivable

Trade receivables are recognized initially at fair value and subsequently measured at a mortised cost using the effective interest method, less provision for impairment.

Trade receivables expected in one year or less, they are classified as current assets. If not they are presented as non-current assets.

11. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

12. Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

13. Government Grants

Government grants are recognized 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 expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

14. Financial Instruments

Financial Assets

Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 '*Construction Contracts'* ("Ind AS 11") and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in statement of profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  a) the Company has transferred substantially all the risks and rewards of the asset, or
  b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, 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.

(v) Income recognition
Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividends are recognised in statement of profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, financial guarantee contracts or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using effective interest method or at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as described below:

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.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in statement of profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables

These amounts represent liabilities for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

(iii) Derecognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

(iv) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other Income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

15. Investments in subsidiaries, associates and joint ventures

A subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its subsidiaries, associates and joint ventures are accounted at cost.

16. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

17. Provisions, Contingent liabilities, Contingent Assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the company recognizes any impairment loss on the assets associated with that contract.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

Contingent liabilities are disclosed in the case of:

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

Contingent Assets is disclosed when inflow of economic benefits is probable.

Contingent Liabilities in respect of show-cause notices are considered only when converted into demands.

18. Gratuity and other post-employment benefits

a) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

b) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

Gratuity obligations

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 present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes 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 statement of profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. 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.

c) **Other long-term employee benefit obligations**

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

d) Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

19. Taxes on Income

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

20. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

21. Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of nature of products/service.

a) Segment revenue includes sales and other income directly attributable with allocable to segments including inter-segment revenue.
b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallowable expenditure.
c) Income which relates to the Company as a whole and not allocable to segments is included in unallowable income.
d) Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the company.

e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liability represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

22. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As a lessee

Leases where the company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

23. Foreign currency translation

(i) Functional and presentation currency

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

However, foreign exchange differences on long term foreign currency monetary items existing as on date of Transition to IND AS relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets to which the monetary item relates and depreciated over the remaining useful life of such assets

Non – Monetary items:

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

24. Fair Value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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 the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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.

Silica Ceramica Private Limited

Notes to Financial Statements for the year ended March 31, 2018

All amounts are in Lakhs unless otherwise stated

2.01 Property, plant and equipment :

	Gross Block							Depreciation					Net Block	
	As at April 1, 2017	Addition	Disposal	Acquisition through business combinations	Effect of Foreign currency exchange differences	Construction expenditures capitalised	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	Other adjustments - Transferred to Retained Earnings	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Own Assets:														
Land - Freehold	1,994.06	-	-	-	-	-	1,994.06	-	-	-	-	-	1,994.06	1,994.06
Buildings	2,995.58	65.76	-	-	-	-	3,061.34	631.16	110.17	-	-	741.33	2,320.01	2,364.42
Plant and Machinery	18,436.09	273.63	-	-	-	-	18,709.72	5,455.31	866.17	-	-	6,321.48	12,388.24	12,980.78
Office Equipment	53.28	1.35	-	-	-	-	54.63	34.80	6.09	-	-	40.89	13.74	18.48
Computers	40.23	0.87	-	-	-	-	41.10	28.02	3.88	-	-	31.90	9.20	12.21
Furniture & Fixtures	80.03	3.24	-	-	-	-	83.27	33.45	8.39	-	-	41.84	41.43	46.58
Vehicles	25.15	9.95	7.61	-	-	-	27.49	20.67	2.51	5.94	-	17.24	10.25	4.48
Live Stock	1.51	-	-	-	-	-	1.51	1.51	-	-	-	1.51	-	-
Total ….A	**23,625.93**	**354.80**	**7.61**	**-**	**-**		**23,973.12**	**6,204.92**	**997.21**	**5.94**	**-**	**7,196.19**	**16,776.93**	**17,421.01**
Assets taken on Finance Lease:														
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ….B	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total …. A+B	**23,625.93**	**354.80**	**7.61**	**-**	**-**		**23,973.12**	**6,204.92**	**997.21**	**5.94**	**-**	**7,196.19**	**16,776.93**	**17,421.01**

2.02 Other Intangible Assets :

	Gross Carrying Amount							Depreciation					Net Block	
	As at April 1, 2017	Addition	Disposal	Acquisition through business combinations	Effect of Foreign currency exchange differences	Construction expenditures capitalised	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	Other adjustments - Transferred to Retained Earnings	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Software	70.49	0.16	-	-	-		70.65	66.92	3.60	-	-	70.52	0.13	3.57
Total	**70.49**	**0.16**	**-**	**-**	**-**		**70.65**	**66.92**	**3.60**	**-**	**-**	**70.52**	**0.13**	**3.57**
									-				-	

Silica Ceramica Private Limited
Notes to Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

2.01 Property, plant and equipment :

	Gross Block							Depreciation					Net Block	
	As at April 1, 2017	Addition	Disposal	Acquisition through business combinations	Effect of Foreign currency exchange differences	Construction expenditures capitalised	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	Other adjustments - Transferred to Retained Earnings	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Own Assets:														
Land - Freehold	1,994.06	-	-	-	-	-	1,994.06	-	-	-	-	-	1,994.06	1,994.06
Buildings	2,995.58	65.76	-	-	-	-	3,061.34	631.16	110.17	-	-	741.33	2,320.01	2,364.42
Plant and Machinery	18,436.09	273.63	-	-	-	-	18,709.72	5,455.31	866.17	-	-	6,321.48	12,388.24	12,980.78
Office Equipment	53.28	1.35	-	-	-	-	54.63	34.80	6.09	-	-	40.89	13.74	18.48
Computers	40.23	0.87	-	-	-	-	41.10	28.02	3.88	-	-	31.90	9.20	12.21
Furniture & Fixtures	80.03	3.24	-	-	-	-	83.27	33.45	8.39	-	-	41.84	41.43	46.58
Vehicles	25.15	9.95	7.61	-	-	-	27.49	20.67	2.51	5.94	-	17.24	10.25	4.48
Live Stock	1.51	-	-	-	-	-	1.51	1.51	-	-	-	1.51	-	-
Total ….A	**23,625.93**	**354.80**	**7.61**	**-**	**-**		**23,973.12**	**6,204.92**	**997.21**	**5.94**	**-**	**7,196.19**	**16,776.93**	**17,421.01**
Assets taken on Finance Lease:														
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ….B	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total …. A+B	**23,625.93**	**354.80**	**7.61**	**-**	**-**		**23,973.12**	**6,204.92**	**997.21**	**5.94**	**-**	**7,196.19**	**16,776.93**	**17,421.01**

2.02 Other Intangible Assets :

	Gross Carrying Amount							Depreciation					Net Block	
	As at April 1, 2017	Addition	Disposal	Acquisition through business combinations	Effect of Foreign currency exchange differences	Construction expenditures capitalised	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	Other adjustments - Transferred to Retained Earnings	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Software	70.49	0.16	-	-	-		70.65	66.92	3.60	-	-	70.52	0.13	3.57
Total	**70.49**	**0.16**	**-**	**-**	**-**		**70.65**	**66.92**	**3.60**	**-**	**-**	**70.52**	**0.13**	**3.57**
									-				-	

All amounts are in Lakhs unless otherwise stated

2.03 Trade Receivables	Non Current As at March 31, 2018	Non Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,787.48	1,906.59
Doubtful				
	-	-	**2,787.48**	**1,906.59**
Allowance for doubtful debts (expected credit loss)				-
Total	**-**	**-**	**2,787.48**	**1,906.59**

Trade Receivable stated above include debts due by:	Non Current As at March 31, 2018	Non Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Related Parties			2,787.16	1,906.59
Directors*	-	-	-	-
Other Officers of the Company*	-	-	-	-
Firm in which Director is a partner*	-	-	-	-
Private Company in which Director is a member	-	-	-	-
	-	-	2,787.16	1,906.59

*either severally or jointly.

The entity 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. The Company does not have any history of overdue receivables or a history of credit loss and hence no credit loss allowance has been made by the company.

Age of receivables	As at March 31, 2018	As at March 31, 2017
Within the credit period	2,787.48	1,906.59
0-3 Months past due	-	-

The concentration of credit risk is limited due to the fact that the entire sales of our company is to Prism Cement Limited only.

2.04 Loans	Non Current As at March 31, 2018	Non Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Security Deposits				
Secured, considered good	-	-	-	-
Unsecured, considered good	463.43	465.71	1.44	0.41
Doubtful	-	-	-	-
	463.43	**465.71**	**1.44**	**0.41**
Less : Impairment of deposits	-	-	-	-
Total	**463.43**	**465.71**	**1.44**	**0.41**

Loans due by directors or other officers, etc.,	Non Current As at March 31, 2018	Non Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
The above include				
Dues from Directors*	-	-	-	-
Dues from other officers of the Company*	-	-	-	-
Firm in which Director is a partner*	-	-	-	-
Private Company in which the director is a director or member	-	-	-	-
	-	-	-	-

*either severally or jointly.

2.05 Other financial assets	Non Current As at March 31, 2018	Non Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Accrued Interest On Deposits with Bank	-	-	9.72	14.83
Other Accrued interest	-	-	26.89	25.79
Other Receivables - Staff Advances	-	-	-	-
Total	-	-	**36.61**	**40.62**

2.06 Deferred tax assets/ liabilities (net)	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences		
Carry forward Business Loss and depreciation	2,604.78	3,095.69
Expenses provided but allowable in Income Tax on payment	-	-
	2,604.78	3,095.69
Taxable temporary differences		
Difference between WDV of fixed assets as per books and Income taxes	1,813.45	2,155.22
	1,813.45	2,155.22
Net deferred tax asset/ (liabilities)	**791.33**	**940.47**

All amounts are in Lakhs unless otherwise stated

Movement in deferred tax Account during the year is as follows:

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing Balances
2017 - 18 :					
Deferred tax (liabilities)/assets in relation to :					
Carry forward Business Loss and depreciation	3,095.69	-490.91	-	-	2,604.78
Difference between WDV of fixed assets as per books and Inco	-2,155.22	341.77	-	-	-1,813.45
Expenses provided but allowable in Income Tax on payment	-	-	-	-	-
	940.47	-149.14	-	-	791.33
Tax losses					
Others	-	-	-	-	-
	-	-	-	-	-
	940.47	-149.14	-	-	791.33
2016 - 17 :					
Deferred tax (liabilities)/assets in relation to :					
Carry forward Business Loss and depreciation	3,009.06	86.63	-	-	3,095.69
Difference between WDV of fixed assets as per books and Inco	-2,090.11	-65.11	-	-	-2,155.22
Expenses provided but allowable in Income Tax on payment	21.52	-21.52	-	-	-
Unused tax credits	-				
	940.47	-	-	-	940.47
Tax losses					
Others	-	-	-	-	-
	-	-	-	-	-
	940.47	-	-	-	940.47

The Analysis of Deferred tax Assets and Deferred tax Liabilities is as follows:

	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets:		
Deferred Tax Assets to be recovered after more than 12 months	2,604.78	3,095.69
Deferred Tax Assets to be recovered within 12 months	-	-
	2,604.78	3,095.69
Deferred Tax Liabilities		
Deferred Tax Liabilities to be recovered after more than 12 months	1,813.45	2,155.22
Deferred Tax Liabilities to be recovered within 12 months	-	-
	1,813.45	2,155.22

Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

	As at March 31, 2018	As at March 31, 2017
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- unabsorbed depreciation	3,423.83	2,252.32
- business losses	12,198.09	9,990.22
	15,621.92	12,242.54

Expiry date of Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been		
- unabsorbed depreciation with no expiry dates	3,423.83	2,252.32
- business losses with expiry dates as follows		
8 Years	2,523.96	3,030.21
7 Years	2,840.96	1,753.76
6 Years	1,753.76	2,040.11
5 Years	2,040.11	1,553.97
4 Years	1,553.97	1,485.33
3 Years	1,485.33	-
2 Years	-	-
1 Years	-	126.84

Explanation of changes in the applicable tax rate(s) compared to the previous accounting period

	As at March 31, 2018	As at March 31, 2017
Applicable Tax rate considered for Deferred tax or Liability	26.00%	30.90%

The Applicable tax rates have been changed on the basis of using the tax rates that have been enacted as at the end of the each reporting period

All amounts are in Lakhs unless otherwise stated

2.07 Other assets

	Non Current		Current	
	As at March 31,		As at March 31,	
	2018	2017	2018	2017
Unsecured, Considered Doubtful				
Advances to other parties	-	-	12.24	-
Less: Provision for Doubtful advances	-	-	-12.24	-
Unsecured, Considered Good				
Capital Advances	42.93	7.53	-	-
Advances other than Capital Advances				
Advances to other parties	-	-	24.49	194.36
Balances with Excise and Customs	-	-	-	208.40
VAT/Service Tax Recoverable	-	-	-	65.95
Prepaid expenses	93.63	166.06	150.12	162.26
Subsidy Receivable from AP Govt.	35.58	2,068.11	3,772.53	1,740.61
MAT Entitlement	88.78	88.78	-	-
Other Receivables - Staff Advances	-	-	7.33	6.23
Others	-	-	1.44	0.79
	260.92	**2,330.48**	**3,955.91**	**2,378.60**

Advances due by directors or other officers, etc.,	Non Current		Current	
	As at March 31,		As at March 31,	
	2018	2017	2018	2017
The above include				
Dues from Directors*	-	-	-	-
Dues from other officers of the Company*	-	-	-	-
Firm in which Director is a partner*	-	-	-	-
Private Company in which the director is a director or member	-	-	-	-
	-	-	-	-

*either severally or jointly.

2.08 Inventories

	As at March 31,	
	2018	2017
Raw materials	1,284.23	1,234.22
Goods-in-transit	5.01	24.99
Work-in-progress	281.47	245.24
Finished goods	1,358.90	2,648.89
Goods-in-transit	-	-
Stock-in-trade	-	-
Goods-in-transit	-	-
Stores and spares	1,912.30	2,180.58
Goods-in-transit	-	-
Total inventories at the lower of cost and net realisable value	**4,841.91**	**6,333.92**

Write-downs of inventories carried to net realisable value amounted to Rs. 356.04 (March 31, 2017 - Rs. 1,088.98). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

All Inventories with a carrying amount of Rs.4,841.91 (as at March 31, 2017: Rs.6,333.92) have been pledged to secure borrowings. All the Inventories have been pledged as first paripasu charge for the Cash Credit and Working Capital Loan facilities and as second paripasu charge for Term loans.

2.09 Cash and Bank Balances

	As at March 31,	
	2018	2017
Cash and cash equivalent		
Balances with banks:		
On current accounts	103.19	35.56
Cash on hand	1.62	4.59
	104.81	**40.15**
Bank balances other than above		
Deposits earmarked against Escrow Accounts with original maturity for more than 3 months but less than 12 months	55.78	117.04
	55.78	**117.04**

Balances with banks - Other earmarked accounts include Rs. 55.78 (As at March 31, 2017 Rs.117.04) which have restriction on withdrawal being margin monies

2.10 Current tax assets and liabilities

	As at March 31,	
	2018	2017
Current tax assets		
Tax refund receivable	46.03	19.58
Others representing taxes paid against demand	-	20.91
	46.03	**40.49**
Current tax liabilities		
	-	-

Silica Ceramica Private Limited - -
Notes to Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

2.11 Share capital

	As at March 31, 2018	As at March 31, 2017
Authorised share capital :		
6,16,10,000(March 31, 2017: 3,47,00,000) equity shares of Rs. 10/- each	6,161.00	3,470.00
	6,161.00	3,470.00
Issued and subscribed capital comprises :		
6,16,08,283 (March 31, 2017: 3,45,60,383) equity shares of Rs. 10/- each (fully paid up)	6,160.83	3,456.04
Total issued, subscribed and fully paid-up share capital	**6,160.83**	**3,456.04**

a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:

Equity shares	2018 No. of Shares	2018 Amount	2017 No. of Shares	2017 Amount
At the beginning of the period	34,560,383	3,456.04	16,685,000	1,668.50
Issued During the Year	27,047,900	2,704.79	17,875,383	1,787.54
Outstanding at the end of the period	**61,608,283**	**6,160.83**	**34,560,383**	**3,456.04**

b. Rights, preference and restrictions attached to shares including restrictions on the distribution of dividends and the repayment of capital:

Equity Shares

The company has only one class of equity shares having a par value of`10 per share. Each holder of equity shares is entitled to one vote per share held. The share holders are entitled to dividend declared on Proportionate basis .On liquidation of the company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

c. Details of share holders holding more than 5% shares in the company

	2018 No. of Shares	2018 % of holding	2017 No. of Shares	2017 % of holding
Equity shares of Rs. 10 each fully paid				
Name of the Shareholder				
Prism Cement Limited (Holding Company)*	61,545,783.00	99.90%	34,497,883.00	99.82%
Silica Share Holders Trust	62,500.00	0.10%	62,500.00	0.18%

*with effect from 10/04/2018, the name of the Holding Company is chnaged to Prism Johnson Limited

2.12 Other equity

	As at March 31, 2018	As at March 31, 2017
Retained earnings	-16,735.57	-12,888.55
Other Equity Representing Fair value of the Financial Guarantee provided by parent Company	478.07	478.07
Securities Premium Reserve	15,138.02	14,367.03
Revaluation Reserve	-	-
	-1,119.48	1,956.55

Description of Reserves

Retained earnings

This represent the surplus/ (deficit) of the profit or loss. These amounts can be distributed by the Company as dividends to its equity shareholders considering the requirements of the Companies Act, 2013. The amounts reported above are distributable in entirety.

Other Equity Representing Fair value of the Financial Guarantee provided by parent Company

The above represents reserve representing fair value of financial guarantee issued against borrowings by the company for which the lender has charged Lower interest rates corresponding to the value of corporate Guarantee. The amounts reported above are not distributable as dividends.

Securities Premium Reserve

Where Companies issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium reserve" as per the provisions of applicable Companies Act. The transaction costs on issue of shares are debited to the said reserve Account

	As at March 31, 2018	As at March 31, 2017
Retained earnings		
Balance at beginning of year	-12,888.55	-8,757.34
Profit for the year	-3,842.89	-4,125.68
Items of other comprehensive income recognised directly in retained earnings :	-4.13	-5.53
Balance as at the end of the year	**-16,735.57**	**-12,888.55**
Other Equity Representing Fair value of the Financial Guarantee provided by parent Company		
Balance as at the beginning of the year	478.07	370.17
Movement during the year	-	107.90
Balance as at the end of the year	**478.07**	**478.07**
Securities Premium Reserve		
Balance as at the beginning of the year	14,367.03	12,670.77
Additions during the Year	795.21	1,712.46
Less: Share issue expenses written off	24.22	16.20
Balance as at the end of the year	**15,138.02**	**14,367.03**
Total other equity	**-1,119.48**	**1,956.55**

All amounts are in Lakhs unless otherwise stated

2.13 Borrowings

	Non Current		Current	
	As at March 31,		As at March 31,	
	2018	2017	2018	2017
Secured				
Bonds / debentures	7,484.15	7,476.33	-	-
Term loans				
from banks	7,446.31	7,416.53	-	-
from NBFC	-	-	-	-
Loans repayable on demand				
from banks	-	-	500.00	1,874.00
Bank overdrafts and cash credits	-	-	2,998.84	1,411.82
Buyer's Credit	-	-	-	-
	14,930.46	**14,892.86**	**3,498.84**	**3,285.82**
Less : Current maturities of long-term debt (included in Note 2.15)	1,847.59	-		
Total	**13,082.87**	**14,892.86**		

(a) Debentures (Secured and Listed) :

The company has issued the following secured redeemable non-convertible debentures:

i. 750 debentures allotted on 02-12-2016 aggregating to Rs.7500.00 which carry interest rate of 10.25% p.a payable yearly. These debentures are redeemable at the end of 37 months from the date of allotment.

These debentures are secured by way of first charge on *pari-passu* basis on the immovable and movable fixed assets of the Company and Corporate Guarantee of Prism Cement Limited.

(b) Nature of Security and terms of repayment for secured borrowings (other than debentures):

Nature of Security	Terms of Repayment	As at March 31, 2018	As at March 31, 2017
i. Term loan from ICICI Bank amounting to Rs.7,500 is secured by a First paripasu Charge Over Entire (movable and immovable) fixed Assets of the Borrower both present and Future, corporate Guarantee of Prism Cement Limited also provided.	Repayable in 12 equal quarterly instalments. The first installment will fall due on the last day of the 18th month from the date of first draw-down(16th March,2017).Interest rate is 9.45% p.a.	7,446.31	7,416.53
ii. Cash Credit facility from Axis Bank having a limit of Rs. 2,000 is Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and Second pari passu charge on the assets by way of mortgage and hypothecation on entire movable and immovable fixed assets of the company, present and future, along with other banks in multiple banking arrangements and corporate guarantee of Prism Cement Limited.	Repayable on demand with an Interest Rate of 11.15% p.a.	1,608.44	380.59
iii Working Capital Demand Loan from Axis Bank as a sub limit to CC Facility mentioned above with an amount of Rs. 1,500 is Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and Second pari passu charge on the assets by way of mortgage and hypothecation on entire movable and immovable fixed assets of the company, present and future, along with other banks in multiple banking arrangements and corporate guarantee of Prism Cement Limited	Repayable on demand with an Interest Rate of 10.15% p.a.	-	1,499.00
iv Cash Credit facility from Yes Bank having a limit of Rs. 1,000 is Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and Second pari passu charge on the assets by way of mortgage and hypothecation on entire movable and immovable fixed assets of the company, present and future, along with other banks in multiple banking arrangements and corporate guarantee of Prism Cement Limited.	Repayable on demand with an Interest Rate of 11.35% p.a.	407.38	149.00
v Working Capital Demand Loan from Yes Bank as a sub limit to CC Facility is Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and Second pari passu charge on the assets by way of mortgage and hypothecation on entire movable and immovable fixed assets of the company, present and future, along with other banks in multiple banking arrangements and corporate guarantee of Prism Cement Limited.	Repayable on demand with an Interest Rate of 11.20%	500.00	375.00
vi Cash Credit facility from ICICI Bank having a limit of Rs. 1,000 is Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and Second pari passu charge on the assets by way of mortgage and hypothecation on entire movable and immovable fixed assets of the company, present and future, along with other banks in multiple banking arrangements and corporate guarantee of Prism Cement Limited.	Repayable on demand with an Interest Rate of 10.10% p.a.	983.02	882.23

All amounts are in Lakhs unless otherwise stated

(c) Details of long-term borrowings guaranteed by Prism Cement Limited (Holding Company)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Debentures		
Principal	7,500.00	7,500.00
Interest	248.53	252.74
Term loans from banks		
Principal	7,500.00	7,500.00
Interest	1.92	1.92

The carrying amount of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed below :

(d) Assets pledged as security:

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Current		
Financial assets		
First charge		
Transferred receivables	-	-
Floating charge		
Cash and cash equivalents	104.81	40.15
Receivables	2,787.48	1,906.59
Non - financial assets		
First charge		
Inventories	4,841.91	6,333.92
	7,734.20	8,280.66
Non - current		
First charge		
Total Assets	16,799.62	17,572.49
	16,799.62	17,572.49
Total assets pledged as security	24,533.82	25,853.15

(e) Undrawn borrowing Facilities:

	As at March 31, 2018	**As at March 31, 2017**
Floating rate:		
Expiring within one year- Axis Bank	391.56	120.41
Expiring within one year- Yes Bank	92.62	476.00
Expiring within one year- ICICI Bank	16.98	117.77
Expiring beyond one year	-	-
Fixed rate:		
Expiring within one year	-	-
Expiring beyond one year	-	-
	501.16	714.18

2.14 Trade payables

	Non Current		**Current**	
	As at March 31,		**As at March 31,**	
	2018	**2017**	**2018**	**2017**
Total outstanding dues of Micro Enterprises & Small Enterprises	-	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	-	-	1,884.02	2,669.61
	-	**-**	**1,884.02**	**2,669.61**

Silica Ceramica Private Limited
Notes to Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

- -

2.15 Other financial liabilities

	Non Current		Current	
	As at March 31,		As at March 31,	
	2018	**2017**	**2018**	**2017**
Current maturities of long-term debt	-	-	1,847.59	-
Interest accrued but not due on loans	-	-	256.08	259.20
Security deposits from customers / others	-	-	77.01	77.01
Bills Payable	-	-	3,842.28	3,242.85
Liability for expenses	-	-	313.01	309.09
Trade Payable-Capital Goods/Works	-	-	-	-
	-	**-**	**6,335.97**	**3,888.15**

Details of Current Maturity of Long Term Debt :		
Secured Loan		
Term Loan	1,847.59	-
Vehicle Loan	-	-
	1,847.59	**-**

2.16 Provisions

	Non Current		Current	
	As at March 31,		As at March 31,	
	2018	**2017**	**2018**	**2017**
Employee benefits				
Provision for Gratuity	41.46	32.36	4.12	0.80
Provision for Bonus	-	-	29.78	31.39
Provision for Leave Encashment	14.86	13.80	3.11	1.64
	56.32	**46.16**	**37.01**	**33.83**

2.17 Other liabilities

	Non Current		Current	
	As at March 31,		As at March 31,	
	2018	**2017**	**2018**	**2017**
Advance from customers	-	-	2.47	1,442.53
Statutory liabilities	-	-	206.55	99.29
Provision for Excise Duty	-	-	-	399.70
Others - Advances from Related Parties	-	-	-	-
	-	**-**	**209.02**	**1,941.52**

Silica Ceramica Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

3.01 Revenue from operations	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Revenue from operations		
Sale of products (including Excise Duty of Rs. 435.08 for the year ended March 31, 2018 (Rs. 2,097.93 for the year ended March 31, 2017))	13,412.73	16,189.99
Other operating revenue		
Scrap Sales	150.70	224.85
Revenue from operations (Gross)	**13,563.43**	**16,414.84**

3.02 Other Income	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Interest Income on		
Interest income earned on financial assets that are not designated as fair value through profit or loss :		
Bank Deposits (at amortized cost)	7.96	13.52
Interest on Income tax refunds	-	1.54
Others (Interest on Power Deposits)	29.88	23.78
Other non - operating income		
VAT Subsidy	-	94.72
Power Subsidy	-	33.26
Claims and Recoveries	-	8.85
Miscellaneous Income incl. sundry creditors Written back	4.49	0.24
Other gains and losses		
Net gain on foreign currency transaction and translations other than finance cost	-	10.00
Profit on Sale of property, plant and equipment (net)	-	-
	42.33	**185.91**

3.03 Cost of materials consumed	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Raw Materials	3,739.67	4,028.99
Minerals	318.54	700.42
Soluble Salts, Stains & Colors	221.54	194.49
Packing Material	639.67	646.22
	4,919.42	**5,570.12**

3.04 Purchases of Stock-in-trade	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Tiles	-	-
Others	45.31	49.23
	45.31	**49.23**

3.05 (Increase) /decrease in inventories	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Inventories at the end of the year		
Work - in - progress	281.47	245.24
Finished goods	1,358.90	2,648.89
	1,640.37	**2,894.13**
Inventories at the beginning of the year		
Work - in - progress	245.24	245.59
Finished goods	2,648.89	3,061.82
Adjustment of excise duty on stock	-399.70	
	2,494.43	3,307.41
	854.06	**413.28**

3.06 Manufacturing expenses	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Stores and Spares consumed	869.93	1,245.74
Power and fuel consumed	4,197.22	4,889.13
Repairs to plant and machinery	219.51	334.07
Adjustment of excise duty on stock	-	-48.96
Other manufacturing expense	0.23	0.24
	5,286.89	**6,420.22**

Silica Ceramica Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

3.07 Employee Benefits Expense

	Year ended March 31, 2018	2017
Salaries, wages and bonus	1,507.12	1,671.57
Contribution to provident and other fund	64.32	39.50
Gratuity	10.31	7.03
Leave encashment	9.53	5.73
Staff welfare expenses	80.76	73.75
	1,672.04	**1,797.58**

3.08 Finance Costs

	Year ended March 31, 2018	2017
Interest and Finance charges on financial liabilities not a FVTPL		
Interest on Overdraft / Cash Credit	407.20	446.75
Interest on Term Loan	739.17	1,334.86
Interest on Debentures	768.75	255.14
Interest on Bills Payable	295.36	327.03
Other interest expenses	173.97	411.32
Corporate Guarantee Expenses	110.68	89.04
Other borrowing costs		
Processing Fees	0.52	0.37
Other Financial Charges	19.35	26.89
	2,515.00	**2,891.40**

3.09 Depreciation and amortization expense

	Year ended March 31, 2018	2017
Depreciation of property, plant and equipment	997.21	1,004.71
Amortization of Intangible assets	3.60	14.48
	1,000.81	**1,019.19**

3.10 Other Expenses

	Year ended March 31, 2018	2017
Rent	29.91	9.09
Repairs to Building	7.59	14.56
Repairs to Others	0.62	1.12
Insurance	28.35	25.85
Rates & taxes	44.67	38.57
Travel and Conveyance	43.39	45.89
Legal and Professional Charges	276.39	142.06
Foreign Exchange loss (net)	7.17	-
Loss on Sale of Assets	0.67	28.79
Other Expenses	108.80	125.85
Provison for Doubtful advance	12.24	-
Bank Charges	11.10	35.70
	570.90	**467.48**

Payment to Auditors

	Year ended March 31, 2018	2017
As auditor:		
Statutory Audit fee	3.75	3.50
Tax Audit Fee	0.75	0.50
In other Capacity:		
Other services (certification fees)	1.53	0.88
Reimbursement of Expenses	0.19	0.66
	6.22	**5.54**

3.11 Tax expenses

	Year ended March 31, 2018	2017
(a)Deferred tax		
In respect of the current year	149.14	-
Deferred tax reclassified from equity to profit or loss	-	-
Total tax expense recognised in the current year	149.14	-
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	15,621.92	12,242.54
Potential tax benefit @ 26% P.Y. 30.90%	4,061.70	3,782.94

The reduction in deferred tax assets(net) is on account of change in the tax rates that have been enacted as at the end of the each reporting period.

All amounts are in Lakhs unless otherwise stated

4.01 Earnings Per Share (EPS)

	Year ended March 31, 2018	2017
Basic earnings per share :		
From continuing operations attributable to equity holders of the company	-10.82	-23.23
From discontinued operations attributable to equity holders of the company	-	-
Total basic earnings per share	**-10.82**	**-23.23**
Diluted earnings per share :		
From continuing operations attributable to equity holders of the company	-10.82	-23.23
From discontinued operations attributable to equity holders of the company	-	-
Total diluted earnings per share attributable to equity holders of the company	**-10.82**	**-23.23**
Reconciliation of earnings used in calculating earnings per share :		
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basic earnings per share :		
From continuing operations	-3,842.89	-4,125.68
From discontinued operations	-	-
	-3,842.89	**-4,125.68**
Diluted earnings per share		
Profit from continuing operations attributable to equity holders of the company :		
Used in calculating basic earnings per share	-3,842.89	-4,125.68
Used in calculating diluted earnings per share	-3,842.89	-4,125.68
Profit from discontinued operations	-	-
Profit used in calculating diluted earnings per share	**-3,842.89**	**-4,125.68**
Weighted average number of shares used as the denominator :		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	35,523,733	17,762,420
Adjustments for calculation of diluted earnings per share :	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating basic earnings per share	**35,523,733**	**17,762,420**

4.02 Capital management

Risk management

The group's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Debt Covenants;

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

(i) Security Cover to not go below 1.1 times, at any time, during the currency of the issued debenture.

(ii) Net-Worth to not fall below 30 Crores.

The Company has complied with these covenants throughout the reporting period. As at 31 March 2018, Net-Worth of the company is 50.41 Crores

		As at March 31,	
4.03	**Contingent liabilities and contingent assets**	**2018**	**2017**
a)	**Contingent liabilities**		
	Claims against the Company not acknowledged as debts		
	i. Matters in respect of VAT/CST under appeal / revision	-	4.00
	ii. Matters in respect of Income Tax under appeal/ revision (See note below)	80.92	80.92

Note

Income tax demand comprise demand from the Indian tax authorities for payment of additional tax of Rs. 80.92 (31 March 2017: Rs. 80.92), upon completion of their tax review for the financial year 2013-14. The tax demands are mainly on account of taxability of difference amount of Share Premium amount Received and net book value of shares of company. The matter is pending before the Commissioner of Income tax (Appeals).

The company is contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

		2018	2017
	Others		
	i. Guarantees given by the Company's Bankers and counter guaranteed by the Company	398.67	507.13
	ii. Letter of Credits for Purchases given by company	662.16	752.35
b)	**Contingent assets**	-	-

		As at March 31,	
4.04	**Commitments**	**2018**	**2017**
	Capital commitments- Property, plant and Equipment	563.30	9.64
	Non-cancellable operating leases	349.01	36.42
	Others:		

Company has commitment to sell its entire production to H&R Johnson (India) (A division of Prism Cement Limited) on mutually agreed price.

All amounts are in Lakhs unless otherwise stated

4.05 Leases

Operating lease: company as lessee

The company has entered into non-cancellable lease agreement with Andhra Government for a certain portion of land for the purpose of its plant operations for the tenure of 15 years. The company has entered into non-cancellable lease agreement with Quippo Energy Limitedt for Gas Generator Set for the purpose of its plant operations for the tenure of 3 years can be revoked after 1 year subject to the obligation of De-Mobilisation charges Lease Rent expenses as per the agreement debited to the profit and loss accountduring the year Rs. 21.13 (Previous Year Rs. 2.59)

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Year ended March 31,	
	2018	**2017**
Within one year	113.83	2.59
After one year but not more than five years	215.22	11.02
More than five years	19.96	22.81
	349.01	36.42

4.06 Amount of expenditure incurred on corporate social responsibility activities during the year: Rs. Nil (Previous Year: Rs. Nil)

4.07 Incentives/Subsidy from Government of Andhra Pradesh

Incentive from Government for Power has been recognized and credited to "Other Income" under Note 3.02 during the period Rs Nil (Previous Year Rs 33.26).

As per Andhra Pradesh Industrial Promotion Policy -2005-2010, the company is entitled for subsidy of 50 % of Vat/CST paid against sales. The Company has recognized subsidy for Vat/CST and credited to "Other Income" under Note 3.02 during the year Rs Nil (Previous Year Rs 94.72).

4.08 The Company has debited transaction costs of Rs. 24.22 (Previous Year Rs.16.20) related to the issue of equity shares to Securities Premium Reserve under Note 2.12 of "Other Equity".

Silica Ceramica Private Limited
Notes to Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

4.09 Segment information

The Company has only one operating segment viz. manufature of Ceramic Tiles. The disclosure requirement IND AS 108 as applicable to a single reportable segment are as follows:

1. The Company has a single Customer viz. Prism Cement limited and 100% of its sales are done to said Customer
2. Information about products and services
   The Company engaged in the manufacturing of Floor Tiles
3. The operations of the Company are conducted in a single geographical area i.e. India

4.10 Related party disclosures

Names of related parties and related party relationship-where control exists

Holding company	Prism cement Limited
Ultimate holding company	Prism cement Limited
Subsidiaries	NA

Related parties with whom transactions have taken place during the year

Fellow subsidiaries	Sentini Cermica Private limited
Associates	NA
Jointly controlled entity	NA
Key management personnel	Mr. Sunil Kumar Sethi, Mr P Srinivasa Rao, Mr Manoj Kumar Patra upto 7th February'2018
Relatives of key management personnel	
Company over which Co-Venturer has management control	NA

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Particulars of transactions with the related parties for the year 2017-18:

Sno	Nature of Transactions	Holding Company	Key Management Personnel (KMP)	Relative of KMP	Fellow subsidiaries	Total
1	**Sale of Finished Goods**					
	2017-2018	15,882.20	-	-	-	**15,882.20**
	2016-2017	17,271.79	-	-	-	**17,271.79**
2	**Sale of RM & Corrugated Box & Other**					
	2017-2018	51.20	-	-	-	**51.20**
	2016-2017	59.67	-	-	-	**59.67**
3	**Purchase of Raw material**					
	2017-2018	670.25	-	-	-	**670.25**
	2016-2017	880.22	-	-	-	**880.22**
4	**Purchase of Stores**					
	2017-2018	47.96	-	-	-	**47.96**
	2016-2017	32.68	-	-	-	**32.68**
5	**Services Reimbursed (Sap Maint)**					
	2017-2018	20.72	-	-	-	**20.72**
	2016-2017	21.58	-	-	-	**21.58**
6	**Rent Received**					
	2017-2018	0.07	-	-	-	**0.07**
	2016-2017	0.06	-	-	-	**0.06**
7	**Reimbursment of Exp Dr to HRJ**					
	2017-2018	1.17	-	-	-	**1.17**
	2016-2017	7.98	-	-	-	**7.98**
8	**Purchase of Stores-Sentini Cermica Pvt Ltd**					
	2017-2018	-	-	-	-	**-**
	2016-2017	-	-	-	10.15	**10.15**
9	**Interest Paid**					
	2017-2018	173.97	-	-	-	**173.97**
	2016-2017	411.32	-	-	-	**411.32**

All amounts are in Lakhs unless otherwise stated

Related party transactions Contd.,

Sno	Nature of Transactions	Holding Company	Key Management Personnel (KMP)	Relative of KMP	Fellow subsidiaries	Total
10	**Reimbursment of Exp Cr to HRJ**					
	2017-2018	183.94	-	-	-	**183.94**
	2016-2017	48.03	-	-	-	**48.03**
11	**Corporate Guarantee Expenses**					
	2017-2018	110.68	-	-	-	**110.68**
	2016-2017	89.04	-	-	-	**89.04**
12	**Corporate Guarantee Expenses included in Prepaid Expenses**					
	2017-2018	166.06	-	-	-	**166.06**
	2016-2017	292.01	-	-	-	**292.01**
13	**Other Equity Representing Fair value of the Financial Guarantee**					
	2017-2018	478.07	-	-	-	**478.07**
	2016-2017	478.07	-	-	-	**478.07**
14	**Expenses Jobwork**					
	2017-2018	0.32	-	-	-	**0.32**
	2016-2017	0.59	-	-	-	**0.59**
15	**Equity Contribution**					
	i) Share Capital					
	2017-2018	2,704.79	-	-	-	**2,704.79**
	2016-2017	1,787.54	-	-	-	**1,787.54**
	ii) Securities Premium Reserve					
	2017-2018	795.21	-	-	-	**795.21**
	2016-2017	1,712.46	-	-	-	**1,712.46**
16	**Remuneration to Key Management Personnel**					
	2017-2018	-	67.81	-	-	**67.81**
	2016-2017	-	64.80	-	-	**64.80**

b. Details of Outstandings with the related parties as at March 31, 2018:

	Net Balance as at 31st March'2018					
	Debtors	2,787.16	-	-	-	**2,787.16**
	Other Financial Liabilities - advance from customers	-	-	-	-	**-**
	Creditors	137.10	-	-	-	**137.10**
	Net Balance as at 31st March'2017					
	Debtors	1,906.59	-	-	-	**1,906.59**
	Other Financial Liabilities - advance from customers	1,439.10	-	-	-	**1,439.10**
	Creditors	131.48	-	-	-	**131.48**

c. Details of Borrowings including Interest Accrued covered by Corporate Guarantee by Prism Cement Limited :

	Net Balance as at 31st March'2018					
	Borrowings	19,250.45	-	-	-	**19,250.45**

Silica Ceramica Private Limited
Notes to Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

4.11 Value of imports calculated on CIF basis

	Year ended March 31, 2018	Year ended March 31, 2017
Raw materials	424.69	688.24
Stores and spare parts	145.30	349.24
Coal	107.12	-
Capital goods	12.32	142.83
	689.43	1,180.31

4.12 Expenditure in foreign currency (accrual basis)

	Year ended March 31, 2018	Year ended March 31, 2017
Professional fees	6.67	47.33
Interest	-	-
	6.67	47.33

4.13 Imported and indigenous raw materials, components and spare parts consumed

	Year ended March 31,			
	2018		2017	
	% of total consumption	Amount	% of total consumption	Amount
Raw Materials				
Imported	6.89%	341.91	1.85%	104.06
Indigenously obtained	93.11%	4,622.82	98.15%	5,515.28
	100.00%	4,964.73	100.00%	5,619.34
Spare parts				
Imported	58.85%	511.93	55.77%	694.72
Indigenously obtained	41.15%	358.00	44.23%	551.01
	100.00%	869.93	100.00%	1,245.73

4.14

"Consequent to the introduction of Goods and Service Tax (GST) with effect from July 01,2017, Central excise, Value added tax (VAT), etc. have been replaced by GST. In accordance with IND AS 18 on Revenue and Schedule III of the Companies Act, 2013, GST, GST Compensation Cess etc are not included in the Income from Operations for applicable periods. In view of the aforesaid restructuring of indirect taxes, Income from operation for the Year Ended March 2018, are not comparable with the previous Year. Following additional information is being provided to facilitate such comparisons:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a. Income from Operations	13,412.73	16,189.99
b. Excise duty	435.08	2,097.93
c. Income from Operations (Net of Excise Duty)	12,977.65	14,092.06

All amounts are in Lakhs unless otherwise stated

4.15 Employee Benefit Plans

a) Defined Contribution Plan

The company's contribution to provident fund and Labour welfare fund is determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss.

The company's contribution to Provident Fund, ESI and labour welfare fund for the year 2017-2018 aggregating to Rs. 64.32 (2016-2017: Rs. 39.50) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

b) Defined Benefit Plans

Gratuity

The company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the company. In case of death while in service, the gratuity is payable irrespective of vesting.

Risk exposure to defined benefit plans

The plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particular	As at March 31, 2018	As at March 31, 2017
1. Discount rate	7.80%	7.34%
2. Salary escalation	5.00%	5.00%
3. Rate of Employee Turnover	10.00%	2.00%
3. Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

Particular	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	45.57	33.16
Fair value of plan assets	-	-
Net liability arising from gratuity	45.57	33.16

All amounts are in Lakhs unless otherwise stated

Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Components of expense recognised in the Statement of Profit and Loss		
Current service cost	7.88	6.18
Past service cost and (gain)/loss from settlements	-	-
Net interest expenses	2.43	1.72
Total (A)	**10.31**	**7.90**
B. Components of defined benefit costs recognised in other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
-Actuarial gains and losses arising for the obligation period	4.13	5.53
-Adjustments for restrictions on the defined benefit asset	-	-
Total (B)	**4.13**	**5.53**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	33.16	21.99
Current service cost	7.88	6.18
Interest cost	2.43	1.72
Remeasurement (gains)/losses:		
-Actuarial gains and losses arising for the obligation period	4.13	5.53
Liabilities assumed/ (settled) in a business combination		
Benefits paid	-2.03	-2.26
Closing defined benefit obligation (C)	**45.57**	**33.16**
D. Movements in the fair value of the plan assets		
Opening fair value of plan assets	-	-
Remeasurement gain (loss):	-	-
-Return on plan assets (excluding amounts included in net interest expense)		
Benefits paid	-	-
Closing fair value of plan assets	**-**	**-**

Category wise plan assets

The Company does not have any plan assets.

Maturity Analysis of Projected Benefit Obligation: From the Employer

Particulars	As at March 31, 2018	As at March 31, 2017
1st following Year	4.12	0.80
2nd Following Year	4.89	0.82
3rd Following Year	6.43	1.03
4th Following Year	7.05	2.76
5th Following Year	4.19	3.89
Sum of Years 6 to 10	20.84	10.15
Sum of Years 11 and above	32.09	76.62

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Increase/ (decrease) in defined benefit liability	As at March 31, 2018	As at March 31, 2017
Projected Benefit Obligation on Current Assumptions	45.57	33.16
Delta Effect of +1% Change in Rate of Discounting	-2.42	-3.52
Delta Effect of -1% Change in Rate of Discounting	2.71	4.19
Delta Effect of +1% Change in Rate of Salary Increase	2.76	4.25
Delta Effect of -1% Change in Rate of Salary Increase	-2.51	-3.62
Delta Effect of +1% Change in Rate of Employee Turnover	0.29	0.63
Delta Effect of -1% Change in Rate of Employee Turnover	-0.34	-0.77

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The weighted average duration of the gratuity plan is 8 years (2016-2017: 17 years).

All amounts are in Lakhs unless otherwise stated

4.16 Financial Instruments and Risk Review

Financial risk management objectives

The Company's Finance function supported by its parent's treasury operations monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit risk management:

The Company's primary exposure on account of credit risk is to its parent Company in the form of Trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Collateral held as security and other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The average credit period on sales of goods is 45 days. Interest Rate is charged for delay in receipt of payments on trade receivables.

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 experienced and adjusted for forward- looking information. The Company does not have a history of credit losses and therefore no provisions have been made under the provision matrix.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

Age of receivables	**March 31, 2018**	**March 31, 2017**
Within the credit period	2,787.48	1,906.59
1-90 days past due		
91-180 days past due		
181-270 days past due		
More than 270 days past due		
Total	**2,787.48**	**1,906.59**

Movement in the expected credit loss allowance	**March 31, 2018**	**March 31, 2017**
Balance at beginning of the year	-	-
Net movement in expected credit loss allowance on trade receivables calculated at	-	-
Total	**-**	**-**

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company believes that the working capital based on projections and support from its Parent Company will be sufficient to meet its current requirements. The contractual maturities of all liabilities except for employee benefits scheme and bank loans are within 1 year. The impact of unfunded Employee benefit schemes on liquidity is expected to be managed from cash generated from operations. Accordingly, no liquidity risk is perceived.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

As on March 31, 2018	**< 1 Year**	**1 - 5 year**	**> 5 year**	**Total**
Non-Current borrowings	1,847.59	13,082.87	-	14,930.46
Current borrowings	3,498.84	-	-	3,498.84

As on March 31, 2017	**< 1 Year**	**1 - 5 year**	**> 5 year**	**Total**
Non-Current borrowings	-	14,892.86	-	14,892.86
Current borrowings	3,285.82	-	-	3,285.82

Market Risks

The Company expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates . The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

Foreign exchange risk

Exposure to foreign exchange risk:

The Company is exposed to foreign exchange risks arising primarily from imports from vendors of the Company which are denominated in US Dollars.

Foreign exchange risk management:

To manage the foreign exchange risk from exposure to vendors, the Company monitors the outstanding in Foreign exchange, according to the Group's foreign exchange risk policy. The parent's Corporate Treasury is responsible for managing and monitoring the exposure on account of forward foreign exchange contracts.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date

Currency	Nature	As at March 31, 2018		As at March 31, 2017	
		Amount in Foreign Currency	Amount (₹) Lacs	Amount in Foreign Currency	Amount (₹) Lacs
EURO	Liability *			2,425.50	1.68
USD	Liability *	451,327.60	294.15	568,911.19	368.94
	Total	**451,327.60**	**294.15**	**571,336.69**	**370.62**

* Trade payable

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact

Currency	Impact on profit after Tax and Equity			
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	1 % increase	1 % increase	1 % decrease	1 % decrease
USD	(2.18)	(2.55)	2.18	2.55
Euro		(0.01)		0.01
Total	**-2.18**	**-2.56**	**2.18**	**2.56**

Interest rate risk

Exposure to interest rate risk:

The Company is exposed to interest rate risk because the Company borrow funds at both fixed and floating interest rates.

Interest rate risk management:

The interest rate risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Company has debentures which are fixed rate borrowings. All borrowings from banks are at floating interest rates.

Particulars	March 31, 2018	March 31, 2017
Variable rate borrowings	10,945.15	10,702.35
Fixed rate borrowings	7,485.15	7,476.33

Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit.

Particular	For year ended March 31, 2018	
	100 basis points increase	100 basis points decrease
Impact on profit	109.45	-109.45

* Assuming all other variables as constant

All amounts are in Lakhs unless otherwise stated

Financial Instruments : Accounting classifications, Fair value measurements, Financial Risk management and offsetting of financial assets and liabilities

(i) Accounting classifications

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

a) The carrying amounts of trade receivables, cash and cash equivalents, short term deposits, trade payables, payables for acquisition of

b) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Fair Value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: unobservable inputs from assets and liability

31-Mar-18

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	2,787.48			2,787.48			-
Loan	464.87			464.87			-
Other financial assets	36.61			36.61			-
Cash and cash equivalents	104.81			104.81			-
Bank Balances	55.78			55.78			-
	3,449.55	-	-	3,449.55	-	-	-

Financial Liabilities	Carrying Value	Classification		Fair Value		
		FVTPL	Amortised Cost	Level 1	Level 2	Level 3
Borrowings	18,429.30		18,429.30			18,429.30
Trade payables	1,884.02		1,884.02			-
Other financial liabilities	6,335.97		6,335.97			-
	26,649.29	-	26,649.29	-	-	18,429.30

Silica Ceramica Private Limited
Notes to Financial Statements for the year ended March 31, 2018
All amounts are in Lakhs unless otherwise stated

31-Mar-17

Particularrs	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	1,906.59			1,906.59			-
Loan	466.12			466.12			-
Other financial assets	40.62			40.62			-
Cash and cash equivalents	0.41			0.41			-
Bank Balances	117.04			117.04			-
	2,530.78	-	-	2,530.78	-	-	-

Financial Liabilities	Carrying Value	Classification		Fair Value		
		FVTPL	Amortised Cost	Level 1	Level 2	Level 3
Borrowings	18,178.68		18,178.68			18,178.68
Trade payables	2,669.61		2,669.61			-
Other financial liabilities	3,888.15		3,888.15			
	24,736.44	-	24,736.44	-	-	18,178.68

As per our report of even date
For and on behalf of Borkar & Muzumdar,
Chartered Accountants
Firm Reg No. 101569W

sd/-

CA Nandan Pai
Partner
Membership No: 109394

Place : Mumbai
Date : 17th May,2018

For and on behalf of the Board

sd/-
S P Rajendran
Director
DIN: 07717655

sd/-
Prem Narayan Trivedi
Director
DIN: 00535201

sd/-
Jagruti Shah
Company Secretary