

**TBK VENKATARAMIAH  
TILE BATH KITCHEN  
PRIVATE LIMITED**

**2017-2018**

# **Independent Auditor's Report**

**To the Members of TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of TBK VENKATARAMIAH TILE BATH KITCHEN 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. We have taken into account the provisions of the Act, and rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements and 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. 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 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 and the financial statements.

### **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 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, 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. In our opinion considering nature of business, size of operation and organisational structure of the entity, 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.

- 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 25 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 DEEPAK KUMAR JAIN**  
Partner  
Membership No: 154390

**Date: 4<sup>th</sup> May, 2018**  
**Place: Mumbai**

## **Annexure-A to the Auditors' Report**

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:

### **1. FIXED ASSET**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, all the 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 of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanation given to us and on the basis of our examination of the records, Company do not having any Immovable properties. Hence the paragraph 3(i) (c) of the Order is not applicable to the Company.

2. During the Operating cycle of Company, Management regularly conduct physical verification of finished traded goods which in our opinion is reasonable, having regard to the size and nature of the Company. The discrepancies noticed on such verification were not significant and the same have been properly dealt with in the books of account.

3. The Company has not granted any secured loans and unsecured loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraph 3(iii) of the Order is not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has not made any investment, provided any Loan, security and guarantee, so provision of Section 185 and 186 of the Companies Act, 2013 is not applicable.

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

6. The Company is in the business of trading, hence the paragraph 3(vi) of the Order is not applicable to the Company.

### **7. 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 income Tax, sales tax, value added tax, service tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax value added tax, service tax, goods and service tax cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, goods and service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion and according to the information and explanation given to us the Company has not taken loans or borrowings from any Bank or Financial Institution and therefore, paragraph 3 (viii) of the Order, is not applicable to the Company.
9. The Company have not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. 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.
11. According to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided during the year and accordingly the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act are not applicable.
12. 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.
13. 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 the Section 188 of the Companies Act, 2013. Details of transactions with the related parties have been disclosed in the financial statements as required by applicable Indian Accounting Standards. However, the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.
14. According the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. 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.
16. 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 Deepak Kumar Jain  
Partner  
Membership No: 154390**

**Date: 4<sup>th</sup> May, 2018  
Place: Mumbai**



**TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED**

Balance Sheet as at March 31, 2018

(Amount in ₹)

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
	a. Property, Plant and Equipment	2	6,33,716	13,28,238
	b. Capital work-in-progress		-	-
	c. Investment Property		-	-
	d. Goodwill		-	-
	e. Other Intangible assets	2	-	-
	f. Intangible assets under development		-	-
	g. Biological Assets other than bearer plants		-	-
	h. Financial Assets		-	-
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Loans	3	2,32,310	2,25,720
	(iv) Other Financial Assets (to be specified)		-	-
	i. Deferred tax assets (net)		-	-
	j. Other non-current assets	4	2,33,301	2,18,600
	<b>Total Non Current Aseets</b>		10,99,327	17,72,558
<b>2</b>	<b>Current Assets</b>			
	a. Inventories	5	5,98,651	15,94,915
	b. Financial Assets		-	-
	(i) Investments		-	-
	(ii) Trade receivables	6	24,85,573	10,41,343
	(iii) Cash and cash equivalents	7	89,830	4,93,712
	(iv) Bank balances other than (iii) above		-	-
	(v) Loans		-	-
	(vi) Others Financial Assets (to be specified)		-	-
	c. Current Tax Assets (Net)		-	-
	d. Other current assets	8	1,52,280	-
	<b>Total Current Aseets</b>		33,26,335	31,29,971
	<b>Total Assets</b>		44,25,661	49,02,528
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	a. Equity Share Capital	9	1,00,000	1,00,000
	b. Other Equity	10	(150,28,976)	(125,55,623)
	<b>Total Equity</b>		(149,28,976)	(124,55,623)
	<b>Liabilities</b>			
<b>1</b>	<b>Non Current Liabilities</b>			
	a. Financial Liabilities			
	(i) Borrowings	11	82,50,000	82,50,000
	(ii) Trade payables		-	-
	(iii) Other financial liabilities (to be specified)		-	-
	b. Provisions	12	-	2,49,232
	c. Deferred tax liabilities (Net)		-	-
	d. Other non-current liabilities		-	-
	<b>Total Non Current Liabilities</b>		82,50,000	84,99,232
<b>2</b>	<b>Current Liabilities</b>			
	a. Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables		-	-
	Total outstanding dues of Micro Enterprises & Small Enterprises		-	-
	Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	13	29,52,552	21,21,732
	(iii) Other financial liabilities (to be specified)	14	80,17,061	61,15,903
	b. Other current liabilities	15	1,35,024	6,21,284
	c. Provisions		-	-
	d. Current Tax Liabilities (Net)		-	-
	e. Liabilities directly associated with assets classified as held for sale		-	-
	<b>Total Current Liabilities</b>		111,04,637	88,58,919
	<b>Total Equity and Liabilities</b>		44,25,661	49,02,528
<b>Summary of Significant accounting policies</b>		1		
Refer accompanying notes. These notes are an integral part of the financial statements				
As per our report of even date <b>For Borkar &amp; Muzumdar</b> Chartered Accountants Firm Registration no.101569W		For and on behalf of the Board of Directors <b>TBK Venkataramiah Tile Bath Kitchen Private Limited</b>		
Sd/- <b>Deepak Kumar Jain</b> Partner Membership No. 154390		<b>Sureshwaran P S</b> Director DIN - 08064852	<b>J Narsing Rao</b> Director DIN - 03337843	
Mumbai. Date : May 04, 2018				

**TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED**  
**Statement of Profit & Loss the year ended March 31, 2018**

( Amount in ₹ )

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from operations	16	367,89,238	155,75,560
II. Other Income		-	-
<b>III. Total Income (I+II)</b>		<b>367,89,238</b>	<b>155,75,560</b>
<b>IV. Expenses:</b>			
Cost of materials consumed			
Purchases of Stock-in-Trade	17	326,11,310	137,86,681
Changes in inventories of Finished goods, work in progress and stock-in-Trade	18	9,96,264	(3,777)
Excise duty on sales of goods		-	-
Manufacturing expenses		-	-
Employee's Benefits Expense	19	15,39,751	11,26,708
Finance Costs	20	7,42,500	1,96,397
Depreciation and Amortization Expense	2	6,94,522	7,54,887
Impairment loss on financial assets		-	-
Impairment on non-current assets		-	-
Other expenses	21	26,78,245	25,51,351
<b>Total expenses (IV)</b>		<b>392,62,592</b>	<b>184,12,247</b>
<b>V. Profit / (loss) before exceptional and tax (III-IV)</b>		<b>(24,73,354)</b>	<b>(28,36,686)</b>
VI. Exceptional items		-	-
<b>VII. Profit / (loss) before tax (V-VI)</b>		<b>(24,73,354)</b>	<b>(28,36,686)</b>
VIII. Tax expense:			
- Current tax		-	-
- Minimum Alternate Tax		-	-
- MAT Credit Entitlement		-	-
- Deferred tax		-	-
		-	-
<b>IX. Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(24,73,354)</b>	<b>(28,36,686)</b>
X. Profit / (loss) for the period from discontinued operations before tax		-	-
XI. Tax expense of discontinuing operations		-	-
<b>XII. Profit/(loss) from Discontinuing operations (after tax) (X-XI)</b>		<b>-</b>	<b>-</b>
<b>XIII. Profit (Loss) for Period (IX+XII)</b>		<b>(24,73,354)</b>	<b>(28,36,686)</b>
<b>XIV. Other Comprehensive Income</b>			
a (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
b (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV. Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>XVI. Total Comprehensive Income for the Period (XIII+XV)</b>		<b>(24,73,354)</b>	<b>(28,36,686)</b>
Earnings per equity share (for continuing operations) :			
- Basic (in Rs.)		(247.34)	(283.67)
- Diluted (in Rs.)		(247.34)	(283.67)
Earnings per equity share (for discontinued operations) :			
- Basic (in Rs.)		-	-
- Diluted (in Rs.)		-	-
Earnings per equity share (for discontinued and continuing operations) :			
- Basic (in Rs.)		(247.34)	(283.67)
- Diluted (in Rs.)		(247.34)	(283.67)
<b>Significant Accounting Policies</b>	<b>1</b>		
Refer accompanying notes. These notes are an integral part of the financial statements			
As per our report For and on behalf of the Board of Directors <b>For Borkar &amp; Muzumdar</b> Chartered Accountants Firm Registration no.101569W		For and on behalf of the Board of Directors <b>TBK Venkataramiah Tile Bath Kitchen Private Limited</b>	
Sd/- <b>Deepak Kumar Jain</b> Partner Membership No. 154390		<b>Sureshwaran P S</b> Director DIN - 08064852	
Mumbai Date : May 04, 2018		<b>J Narsing Rao</b> Director DIN - 03337843	

**TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED**

Standalone Statement of changes in equity for the year ended March 31, 2018

Equity share capital	Amount
<b>Balance at March 31, 2017</b>	<b>1,00,000</b>
Changes in equity share capital during the year	
<b>Balance at March 31, 2018</b>	<b>1,00,000</b>

**TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED**

**Standalone Statement of changes in equity for the year ended March 31, 2018 - continued**

Other equity	Reserves and Surplus				Items of Other Comprehensive Income		Total
	Capital Redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Remeasurements of the defined benefit plans	Items of Other Comprehensive Income	
<b>Balance at March 31, 2017</b>	-	-	-	(125,55,622)	-	-	(125,55,622)
Profit for the year	-	-	-	(24,73,353)	-	-	(24,73,353)
Other comprehensive income	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(150,28,976)	-	-	(150,28,976)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-
<b>Balance at March 31, 2018</b>	-	-	-	(150,28,976)	-	-	(150,28,976)

**See accompanying notes to the consolidated financial statements**

Note: Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate disclosure of such items alongwith the relevant amounts in the Notes.

**TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED**
**Cash Flow Statement for the year ended March 31, 2018**

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit Before Tax from Continuing Operations	(24,73,354)	(28,36,686)
Profit Before Tax from Discontinuing Operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>(24,73,354)</b>	<b>(28,36,686)</b>
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	6,94,522	7,54,887
Impairment of goodwill and other non-current assets	-	-
Employee share-based payment expense	-	-
Gain on disposal of property, plant and equipment	-	-
Gain on sale of investments	-	-
Change in fair value of financial assets at fair value through profit or loss	-	-
Unwinding of discount on security deposits	-	-
Dividend and interest income classified as investing cash flows	-	-
Provision on Debtors	-	-
Finance costs	7,42,500	1,96,397
Net exchange differences	-	-
	<b>(10,36,332)</b>	<b>(18,85,403)</b>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	(14,44,230)	(1,48,579)
Decrease/(increase) in inventories	9,96,264	(3,777)
Increase/(decrease) in trade payables	8,30,820	2,90,951
Increase/(decrease) in other financial assets	(6,590)	-
Decrease/(increase) in other non-current assets	(14,701)	(2,10,810)
Decrease/(increase) in other current assets	(1,52,280)	33,000
Increase/(decrease) in provisions	(2,49,232)	57,405
Increase/(decrease) in other financial liabilities	19,01,158	16,11,119
Increase/(decrease) in employee benefit obligations	-	-
Increase/(decrease) in other current liabilities	(4,86,260)	4,10,834
Increase/(decrease) in other long-term liabilities	-	-
Decrease/(increase) in long-term loans and advances	-	-
Decrease/(increase) in short-term loans and advances	-	-
<b>Cash generated from operations</b>	<b>3,38,618</b>	<b>1,54,740</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>3,38,618</b>	<b>1,54,740</b>
<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	-	(51,887)
Payments for investment property	-	-
Payments for purchase of investments	-	-
Payments for software development costs	-	-
Loans to employees and related parties	-	-
Proceeds from sale of investments	-	-
Proceeds from sale of property, plant and equipment	-	-
Repayment of loans by employees and related parties	-	-
Interest received	-	-
Dividends received	-	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>-</b>	<b>(51,887)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	5,00,000
Repayment of short-term borrowings	-	-
Interest paid	(7,42,500)	(1,96,397)
Dividends paid to equity shareholders	-	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(7,42,500)</b>	<b>3,03,603</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>(4,03,882)</b>	<b>4,06,456</b>
Effect of exchange differences on cash & cash equivalent held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	4,93,712	87,256
<b>Cash and cash equivalents at the end of the year</b>	<b>89,830</b>	<b>4,93,712</b>
Non-cash financing and investing activities	-	-
Acquisition of property, plant and equipment by means of finance lease	-	-
	-	-
<b>Reconciliation of cash and cash equivalents as per the cash flow statement :</b>		
Cash and cash equivalents	89,830	4,93,712
<b>Balance as per the cash flow statement :</b>	<b>89,830</b>	<b>4,93,712</b>
<b>Significant accounting policies</b>	<b>1</b>	
As per our report of even date		
<b>For Borkar &amp; Muzumdar</b>	For and on behalf of the Board of Directors	
Chartered Accountants	<b>TBK Venkataramiah Tile Bath Kitchen Private Limited</b>	
Firm Registration no.101569W		
Sd/-		
<b>Deepak Kumar Jain</b>	<b>Sureshwaran P S</b>	<b>J Narsing Rao</b>
Partner	Director	Director
Membership No. 154390	DIN - 08064852	DIN - 03337843
Mumbai.		
Date : May 04, 2018	Date : May 04, 2018	

**TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED**

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

**2 Property, plant and equipment :**
**Tangible assets**

	Gross Carrying Amount						Depreciation					Net Block	
	As at April 1, 2017	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
<b>Own Assets:</b>													
Leasehold Improvements	18,32,068	-	-	-	-	18,32,068	11,59,096	5,77,964	-	-	17,37,060	95,008	6,72,972
Computers	58,220	-	-	-	-	58,220	4,051	16,415	-	-	20,466	37,754	54,168
Furniture, Fixtures	4,78,630	-	-	-	-	4,78,630	1,33,819	66,727	-	-	2,00,546	2,78,083	3,44,810
Office Equipment	1,86,430	-	-	-	-	1,86,430	1,63,033	1,994	-	-	1,65,027	21,403	23,397
Generator	1,77,711	-	-	-	-	1,77,711	28,795	14,358	-	-	43,154	1,34,557	1,48,916
Electrical Equipments	1,18,195	-	-	-	-	1,18,195	34,221	17,064	-	-	51,285	66,911	83,974
<b>Total</b>	<b>28,51,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,51,254</b>	<b>15,23,016</b>	<b>6,94,522</b>	<b>-</b>	<b>-</b>	<b>22,17,538</b>	<b>6,33,716</b>	<b>13,28,238</b>

	Gross Carrying Amount						Depreciation					Net Block	
	Deemed cost as at April 1, 2016	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
<b>Own Assets:</b>													
Leasehold Improvements	18,32,068	-	-	-	-	18,32,068	5,79,548	5,79,548	-	-	11,59,096	6,72,972	12,52,520
Computers	6,333	51,887	-	-	-	58,220	-	4,051	-	-	4,051	54,168	6,333
Furniture, Fixtures	4,78,630	-	-	-	-	4,78,630	66,910	66,910	-	-	1,33,819	3,44,810	4,11,720
Office Equipment	1,86,430	-	-	-	-	1,86,430	90,163	72,870	-	-	1,63,033	23,397	96,267
Generator	1,77,711	-	-	-	-	1,77,711	14,398	14,398	-	-	28,795	1,48,916	1,63,314
Electrical Equipments	1,18,195	-	-	-	-	1,18,195	17,110	17,110	-	-	34,221	83,974	1,01,085
<b>Total</b>	<b>27,99,367</b>	<b>51,887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,51,254</b>	<b>7,68,129</b>	<b>7,54,887</b>	<b>-</b>	<b>-</b>	<b>15,23,016</b>	<b>13,28,238</b>	<b>20,31,238</b>

**Intangible Assets :**

	Gross Carrying Amount						Depreciation					Net Block	
	As at April 1, 2017	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Software	86,000	-	-	-	-	86,000	86,000	-	-	-	86,000	-	-
<b>Total</b>	<b>86,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,000</b>	<b>86,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,000</b>	<b>-</b>	<b>-</b>

	Gross Carrying Amount						Depreciation					Net Block	
	Deemed cost as at April 1, 2016	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Software	86,000	-	-	-	-	86,000	86,000	-	-	-	86,000	-	-
<b>Total</b>	<b>86,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,000</b>	<b>86,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,000</b>	<b>-</b>	<b>-</b>

## TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

### Note : 3 Non Current Financial Assets - Loans

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Unsecured considered good		
Security Deposits	2,32,310	2,25,720
<b>Total</b>	<b>2,32,310</b>	<b>2,25,720</b>

### Note : 4 Other Non Current Assets

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Deposit with statutory authorities (net of provision)	19,701	5,000
Deposit with statutory authorities (Disputed Dues)	2,13,600	2,13,600
<b>Total</b>	<b>2,33,301</b>	<b>2,18,600</b>

### Note : 5 Inventories

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Stock in Trade (Valued at lower of cost or net realisable value)	5,98,651	15,94,915
<b>Total</b>	<b>5,98,651</b>	<b>15,94,915</b>

### Note : 6 Trade Receivables

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Secured - Considered Good		
Unsecured - Considered Good	25,03,609	11,25,906
Doubtful	-	-
	<b>25,03,609</b>	<b>11,25,906</b>
Less: Allowance for doubtful debts (expected credit loss)	(18,036)	(84,563)
<b>Total</b>	<b>24,85,573</b>	<b>10,41,343</b>

### Note : 7 Cash and Cash Equivalents

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Balances with banks		
- On current accounts	51,422	4,88,572
Cash in hand	38,408	5,140
<b>Total</b>	<b>89,830</b>	<b>4,93,712</b>

### Note : 8 Other Current Assets

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Other receivable	1,600	-
GST Receivable	1,50,680	-
<b>Total</b>	<b>1,52,280</b>	<b>-</b>

### Note : 9 Share Capital

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
<b>Authorised</b>		
10,000 Equity Shares of ₹ 10 each (Previous Year : 10,000 Equity Shares of ₹ 10 each)	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>
<b>Issued &amp; Subscribed &amp; Paid up</b>		
10,000 Equity Shares of ₹ 10 each (Previous Year : 10,000 Equity Shares of ₹ 10 each)	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

#### (a) Reconciliation of No of Shares outstanding

Particulars	As at 31-3-2018	As at 31-3-2017
Shares outstanding at the beginning of the year	10,000	10,000
Shares outstanding at the end of the year	10,000	10,000

## TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

### (b) Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per equity share. 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 in proportion to their shareholding after distribution of all preferential amounts.

### (c) Details of Shareholders

Name of Shareholder	As at 31-03-2018		As at 31-03-2017	
	Total Shares held	As a % of Total Shares	Total Shares held	As a % of Total Shares
H & R Johnson (India) TBK Ltd	10,000	100	10,000	100

#### Note : 10 Other Equity

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(125,55,622)	(97,18,936)
Profit / (Loss) for the year	(24,73,354)	(28,36,686)
Closing Balance	(150,28,976)	(125,55,623)
<b>Total</b>	<b>(150,28,976)</b>	<b>(125,55,623)</b>

#### Note : 11 Non Current Financial Liabilities - Borrowings

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
<b>Unsecured</b>		
Loans and advances from related parties (Repayment by December 31, 2021)	82,50,000	82,50,000
<b>Total</b>	<b>82,50,000</b>	<b>82,50,000</b>

#### Note : 12 Non Current Liabilities - Provisions

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
<b>For employee benefits</b>		
Provision for Gratuity	-	2,49,232
<b>Total</b>	<b>-</b>	<b>2,49,232</b>

#### Note : 13 Trade Payables

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Total outstanding dues of Micro Enterprises & Small Enterprises		
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	29,52,552	21,21,732
<b>Total</b>	<b>29,52,552</b>	<b>21,21,732</b>

#### Note : 14 Other Current Financial Liabilities

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Interest accrued but not due on Loans	32,76,197	26,07,947
Liability for Expenses	47,40,864	35,07,956
<b>Total</b>	<b>80,17,061</b>	<b>61,15,903</b>

#### Note : 15 Other Current Liabilities

Particulars	As at 31-3-2018 ₹	As at 31-3-2017 ₹
Advance from Customers	1,11,565	2,92,381
Statutory Liabilities	23,459	3,28,903
<b>Total</b>	<b>1,35,024</b>	<b>6,21,284</b>



**TBK VENKATARAMAIAH TILE BATH KITCHEN PRIVATE LIMITED****Note : 16 Revenue from Operations**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products & Services	365,22,636	153,21,869
Other operating revenue	2,66,602	2,53,692
<b>Total</b>	<b>367,89,238</b>	<b>155,75,560</b>

**Note : 17 Purchases Stock-in-Trade**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of products	326,11,310	137,86,681
<b>Total</b>	<b>326,11,310</b>	<b>137,86,681</b>

**Note : 18 Change in Inventories of stock-in-trade**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inventories at the end of the year</b>		
Traded Goods	5,98,651	15,94,915
<b>Inventories at the beginning of the year</b>		
Traded Goods	15,94,915	15,91,138
<b>Total</b>	<b>9,96,264</b>	<b>(3,777)</b>

**Note : 19 Employee Benefits Expenses**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	14,81,673	10,64,458
Staff welfare expenses	58,078	62,250
<b>Total</b>	<b>15,39,751</b>	<b>11,26,708</b>

**Note : 20 Finance Cost**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on loan	7,42,500	1,96,397
<b>Total</b>	<b>7,42,500</b>	<b>1,96,397</b>

**Note : 21 Other Expenses**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	17,25,000	16,12,500
Bank Charges	26,728	2,556
Rates & Taxes	2,500	53,818
Travelling & Communication	1,66,663	1,62,771
Discount, Incentives and Commission on Sales	25,245	24,117
Bad debts	1,50,467	75,545
Repairs to Others	85,499	1,70,635
Electricity Expenses	1,46,911	1,06,055
Printing & Stationery	36,877	17,014
Payment to Auditors - as Auditor	62,500	45,500
Legal & Professional Charges	1,46,701	1,07,126
Miscellaneous Expenses	1,03,154	1,73,714
<b>Total</b>	<b>26,78,245</b>	<b>25,51,351</b>

## **Note 1: Significant Accounting Policies**

### **Background**

**TBK Venkataramiah Tile Bath Kitchen Pvt. Ltd.** is a Joint Venture concern of **H. & R. Johnson (India) TBK Limited**, in the business of trading in Tiles, Bathroom Fittings & Kitchen.

### **A. Basis of Preparation**

#### **(i) 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") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

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.

#### **(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values.

### **B. Rounding of amounts**

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

### **C. 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.

#### **D. 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) Fair value of Financial Assets and Financial liabilities;
- b) The useful lives of, or expected pattern of consumption of the future economic benefits embodied in, depreciable assets;
- c) Valuation of inventories and Inventory obsolescence;
- d) Provisions and Bad Debts;
- e) Evaluation of recoverability of deferred tax assets; and
- f) Contingencies.

#### **E. 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 net of returns including allowances, trade discounts and volume rebates but does not include Value added tax (VAT), Goods & Service Tax (GST) and Central Sales tax (CST).

## **F. 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:

<b>Assets</b>	<b>Useful life of asset</b>
Leasehold Improvements	7 years
Building	60 years
Generator	15 years
Electrical Installations	10 years
Office Equipments	5 Years
Computer Equipments	3 Years
Furniture and fixtures	10 years
Vehicles	8 years
Assets acquired under the finance lease	Over the primary lease period and secondary lease period if renewable at nominal cost, if any

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.

#### **G. 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:

<b>Assets</b>	<b>Useful life of asset</b>
Software	3 years

## **H. 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.

## **I. Inventories**

Inventories are valued on weighted average cost or net realizable value whichever is lower after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

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.

## **J. Trade Receivable**

Trade receivables are recognized initially at fair value and subsequently measured at amortised 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.

## **K. 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 with in borrowings in current liabilities in the Balance Sheet.

## **L. 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.

## **M. 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 18 – Revenue, 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.

## **N. 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.

## **O. 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.

## **P. Gratuity**

Provision for liability on account of gratuity obligation is made as per the method stipulated in the Payment of Gratuity Act, 1972.

## **Q. 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.

## **R. 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.

## **S. 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.

## **T. 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.

## TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

**Note 22 : EARNINGS PER SHARE**

(Amount in ₹)

Particulars	As At March 31,2018	As At March 31,2017
Profit / (Loss) for the year	(24,73,354)	(28,36,686)
Weighted Average Number of Equity Shares	10,000	10,000
Nominal value of shares	10	10
Basic Earnings / (Loss) Per Share	(247.34)	(283.67)

**Note 23 :**

The disclosure in respect of the amounts payable to such micro, small and medium enterprises as at March 31, 2018 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

**Note 24 :**

The company has reversed the gratuity liability amounting to ₹ 2,49,232/- (P.Y. ₹ (57,405/-) on the method stipulated under the Payment of Gratuity Act, 1972. The company does not offer any other benefits to its employees.

**Note 25 :**

Contingent liability represents items that at 31st March, 2018, are not recognised in the statement of Financial Position because there is significant uncertainty at that date as to the necessity for the entity to receive or make payments in respect of them.

Liability relating to consumer case of Mrs.Nanditha S Banakar of kitchen supply amounting to Rs. 4,63,150

# TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

## **Note 26: RELATED PARTY DISCLOSURE**

### **(a) Name of Related Parties**

#### **Parent company**

- 1 Prism Cement Limited\*

#### **Enterprise under common control**

- 1 TBK Samiyaz Tile Bath Kitchen Pvt. Ltd.
- 2 TBK Deepgiri Tile Bath Kitchen Pvt. Ltd.
- 3 TBK Bansal Ceramics Pvt. Ltd.
- 4 TBK Unique Jalgaon Tile Bath Kitchen Pvt. Ltd.
- 5 TBK Krishna Tile Bath Kitchen Pvt. Ltd.
- 6 TBK Rangoli Tile Bath Kitchen Pvt. Ltd.
- 7 TBK PB Shah Tile Bath Kitchen Pvt. Ltd.
- 8 TBK Sanitary Sales Pvt. Ltd.
- 9 TBK Florance Ceramics Pvt. Ltd.
- 10 TBK Shri Ram Tile Bath Kitchen Pvt. Ltd.#
- 11 TBK Deziner's Home Pvt. Ltd.
- 12 TBK Prathap Tile Bath Kitchen Pvt. Ltd.
- 13 TBK Tile Home Pvt. Ltd.#
- 14 TBK Reddy Tile Bath Kitchen Pvt. Ltd.#
- 15 TBK Rathi Sales Agenceis Pvt Ltd
- 16 TBK Kadakia's Tile Bath Kitchen Pvt Ltd
- 17 TBK Rishi Ceramics Pvt Ltd
- 18 TBK Vaibhavi Tile Bath Kitchen Pvt Ltd
- 19 TBK Shree Ganesh Traders Pvt Ltd
- 20 TBK Aishwarya Tile Bath Kitchen Pvt.Ltd.
- 21 TBK Home Trends Pvt.Ltd.
- 22 TBK Rajkamal Tile Bath Kitchen Pvt.Ltd.
- 23 TBK Solan Ceramics Pvt.Ltd.
- 24 Ardex Endura (India) Pvt. Ltd.

\* With effect from 18th April 2018, Company has changed it's name from Prism Cement Limited to Prism Johnson Limited.

# Discontinued to be related Party w.e.f 29th March 2018

#### **Holding company**

- 1 M/s. H & R Johnson (India) TBK Ltd.

### **(b) Transactions entered with the related party during the year.**

(Amount in ₹)

Particulars	Enterprises under comon control	Parent company	Holding company
Payment of Rent - H & R Johnson (India) TBK Ltd.	-	-	17,25,000 (16,12,500)
Purchase of goods - Prism Cement Limited.	-	315,57,085 (118,67,912)	-
Purchase of goods - H & R Johnson (India) TBK Ltd.	-	-	9,07,591 (51,170)
Purchase of goods - Others	5,44,222 (4,79,515)	-	
Purchase of goods - Ardex Endura (India) Pvt. Ltd.	1,51,760 (11,000)	-	-
Incentives & others - Prism Cement Ltd.	-	3,77,299 (2,53,692)	-
Sale of goods - TBK Prathap	79,864	-	-
Sale of goods-H & R Johnson (India) TBK Ltd	-	-	10,81,015 -
Payment of Salary & Reimbursement of expenses	-	-	25,35,647 (17,35,903)
Unsecured Loans- H & R Johnson (India) TBK Ltd.	-	-	-
Interest on Unsecured Loans-H & R Johnson (India) TBK Ltd.	-	-	6,68,250 (1,96,397)
Reimbursement-Prism Cement Ltd	-	5,99,094 (3,728)	-



## TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

c) The details of balance as at March 31, 2018.

(Amount in ₹)

Sr. No.	Name	Nature of Relationship	Nature of Payment / Receipts	As at March 31, 2018
1	M/s. H & R Johnson (India) TBK Ltd.	Holding company	Unsecured Loan	82,50,000 (82,50,000)
2	M/s. H & R Johnson (India) TBK Ltd.	Holding company	Interest Accured on Loan	32,76,197 (26,07,947)
3	PRISM CEMENT LIMITED	Parent Company	Purchase of goods	26,87,939 (16,08,182)
4	TBK Bansal Ceramics Pvt.Ltd.	Associate Concern	Purchase of goods	- (4,61,978)
5	M/s. H & R Johnson (India) TBK Ltd.	Holding company	Purchase and sale of goods & services	44,65,663 (34,04,673)
6	M/s. H & R Johnson (India) TBK Ltd.	Holding company	Share Capital	1,00,000 (1,00,000)

**Note 27:**

Previous year figures have been regrouped / reclassified / reinstated, wherever considered necessary to make them comparable with the current year figures.

**For Borkar & Muzumdar**

Chartered Accountants  
Firm Registration no.101569W

For and on behalf of the Board of Directors

**For Venkataramiah Tile Bath Kitchen Pvt. Ltd.**

Sd/-

**Deepak Kumar Jain**  
Partner  
Membership No. 154390

**SURESHWARAN P S**  
Director  
DIN - 08064852

**J Narsing Rao**  
Director  
DIN - 03337843

Mumbai.  
Dated : May 04, 2018

