O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
Phase - 1, New Delhi - 110020
Ph.: 011-47011850, 51, 52, 53
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INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
KAJARIA BATHWARE PRIVATE LIMITED**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **KAJARIA BATHWARE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

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Emphasis of matter

1. We draw attention to Note No.40 of the standalone Ind AS financial statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain.

Our audit opinion is not modified in this regard.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Director's report, Corporate Governance report, Business responsible report and Management Discussion and Analysis of Annual report, but does not include the Standalone Ind AS Financial Statements and our report thereon. The Directors report, Corporate Governance report, Business responsible report and Management Discussion and Analysis of Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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

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of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonable ness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and event s in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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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 I" a statement on the matters specified in paragraphs 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 relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply 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.;

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

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

g) No managerial remuneration has been paid/provided during the year by the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

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2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations, which would impact its financial position.

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

iii. There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(NITIN JAIN)
PARTNER
M. No. 510841

PLACE: NEW DELHI
DATED : 21.05.2021
UDIN: 21510841AAAABB3190

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FRN : 000018N/N500091
New Delhi
Chartered Accountants

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ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. a) As informed to us the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

   c) As informed to us and as verified by us during the course of our audit the title deeds of immovable properties are held in name of the company.

ii. As informed to us physical verification of inventory has been conducted at reasonable intervals by the management. With respect to verification of inventories as at the end of the year, please refer note 40 to the financial statements. As informed to us no material discrepancies were noticed on physical verification. The discrepancies noticed have been properly dealt with in the books of account.

   Due to various restrictions imposed on outbreak of COVID-19 pandemic, it has been impractical for us to physically attend the verification of inventories. Pursuant to para 7 of SA 501 read with A12 to A14 thereof, we have performed alternative audit procedures to obtain sufficient appropriate audit evidence e.g. documents for physical verification at a different date, sale/purchase invoices for such period etc regarding the existence and condition of inventory. Also during the audit, we have evaluated the inventory controls designed by the management and their effectiveness.

iii. We have been informed that the company has granted unsecured loans to a company covered in the register maintained under section189 of the Companies Act 2013. In respect of such loans we have been informed that:

   a. the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

   b. the schedule of repayment of principal and payment of interest is not stipulated. Therefore, no comments are offered on whether the repayments or receipts are regular.

   c. no amount is overdue as at the end of the year.

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iv. The company has not entered into any transactions in nature of loans/ investment/guarantee/security covered under section 185 and 186 of Companies Act 2013.

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

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

vii. a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or goods and service tax or value added tax or cess which have not been deposited on account of any dispute.

viii. In accordance with the information and explanations given to us we are of the opinion that the company has not defaulted in repayment of dues. There are no loans from financial institution or government. The company has not issued any debenture.

ix. The company has not raised any money during the year by way of initial public offer or further public offer (including debt instrument) and term loan.

x. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across any instance of any material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. No managerial remuneration has been paid/provided during the year by the company.

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

xiii. According to the information and explanation given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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xiv. The company has not made preferential allotment/private placement of shares or fully or partly convertible debentures during the year under review.

xv. As informed to us, during the year the company has not entered into any non-cash transactions with any of its directors or persons connected with the directors. Therefore, clause 3(xv) of the Order is not applicable.

xvi. In our opinion the company is not required to get registered under section 45-IA of Reserve Bank of India Act 1934.

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

(NITIN JAIN)
PARTNER
M. No. 510841

PLACE: NEW DELHI
DATED: 21.05.2021
UDIN: 21510841AAAABB3190

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ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **KAJARIA BATHWARE PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 I/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.

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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, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(NITIN JAIN)
PARTNER
M. No. 510841

PLACE: NEW DELHI
DATED: 21.05.2021
UDIN: 21510841AAAABB3190

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

KAJARIA BATHWARE PRIVATE LIMITED
STANDALONE BALANCE SHEET AS AT '31 MARCH 2021

(Amount in Rupees lakhs, unless otherwise stated)

	Notes	As at '31 March 2021	As at '31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4,202.49	4,117.26
(b) Right to use Asset	3A	254.57	351.96
(c) Capital work in progress		74.24	15.92
(d) Intangible assets	4	4.04	2.85
(e) Financial assets:			
(i) Investments	5	1,123.92	1,123.92
(ii) Loans	6	93.32	57.72
(f) Non-current tax assets (net)	7	51.60	259.64
(g) Other non-current assets	8	3.24	-
		5,807.42	5,929.27
Current assets			
(a) Inventories	9	3,902.24	3,886.36
(b) Financial assets			
(i) Trade receivables	10	2,858.25	2,191.41
(ii) Cash and cash equivalents	11	99.93	14.87
(iii) Loans	6	40.13	40.80
(iv) Other financial assets	12	108.79	252.75
(c) Other current assets	8	229.19	204.40
		7,238.53	6,590.59
TOTAL ASSETS		13,045.95	12,519.86
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,500.00	2,500.00
(b) Instruments entirely equity in nature	13	441.18	441.18
(c) Other Equity	14	3,925.53	3,100.64
Sub-total		6,866.71	6,041.82
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,900.00	1,890.00
(ii) Lease Liabilities	18	244.37	292.09
(b) Provisions	16	154.60	137.60
		2,298.97	2,319.69
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,405.69	1,593.49
(ii) Trade Payables	17		
- Dues of micro and small enterprises		363.29	122.24
- Dues of creditors other than micro and small enterprises		832.06	831.06
(iii) Lease Liabilities	15A	41.75	81.18
(iv) Other financial liabilities	18	1,032.39	1,348.86
(b) Other current liabilities	19	170.15	158.21
(c) Provisions	16	34.94	23.31
		3,880.27	4,158.35
TOTAL LIABILITIES		6,179.24	6,478.04
TOTAL EQUITY AND LIABILITIES		13,045.95	12,519.86
Significant Accounting Policies	1 & 2		

See accompanying notes forming part of the financial statements.

As per our report of even date attached
FOR O P BAGLA & CO.LLP
CHARTERED ACCOUNTANTS
FRN : 000018N /N500091

Nitin Jain
Partner
M.No. 510841

Date: 21 May 2021
Place: New Delhi

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

For and on behalf of the board of directors

Rishi Kajaria
Managing Director
DIN 228455

Ashok Kumar Kajaria
Director
DIN 273877

Dilip Kumar Maliwal
Chief Financial Officer

Saurabh Chakraborty
Company Secretary
(ACS: A-52813)

KAJARIA BATHWARE PRIVATE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED '31 MARCH 2021

(Amount in Rupees lakhs, unless otherwise stated)

		Notes	For the Year ended '31 March 2021	For the Year ended '31 March 2020
I	**INCOME**			
	Revenue from operations	20	13,091.10	10,842.51
	Other income	21	73.26	48.83
	TOTAL INCOME (I)		**13,164.36**	**10,891.34**
II	**EXPENSES**			
	Cost of materials consumed	22	3,574.51	2,831.44
	Purchase of stock-in-trade		3,683.66	4,062.14
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	152.95	(860.73)
	Employee benefits expense	24	1,714.83	1,352.60
	Finance costs	25	287.23	363.17
	Depreciation and amortization expenses	26	449.22	463.27
	Other expenses	27	2,475.13	2,923.33
	Total expenses (II)		**12,337.53**	**11,135.22**
III	**Profit / (loss) before tax (I-II)**		**826.83**	**(243.88)**
IV	Tax expense:			
	Current Tax deferred tax		-	-
V	**Profit / (Loss) for the year (III - IV)**		**826.83**	**(243.88)**
VI	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to statement of profit and loss			
	-Reameasurements of defined benefit plans		(1.94)	(5.24)
	Total other comprehensive income for the year, net of tax		**(1.94)**	**(5.24)**
VII	**Total comprehensive income for the year (comprising profit and other comprehensive income for the year) (V+ VI)**		**824.89**	**(249.12)**
VIII	**Earnings per equity share (face value of Rs. 10 each)**	28		
	(1) Basic (in Rs.)		3.31	(0.98)
	(2) Diluted (in Rs.)		2.81	*(0.98)
	Significant Accounting Policies	1 & 2		

See accompanying notes forming part of the financial statements.

As per our report of even date attached

FOR O P BAGLA & CO.LLP
CHARTERED ACCOUNTANTS
FRN : 000018N /N500091

Nitin Jain
Partner
M.No. 510841
Date: 21 May 2021
Place: New Delhi

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

For and on behalf of the board of directors

Rishi Kajaria
Managing Director
DIN 228455

Ashok Kumar Kajaria
Director
DIN 273877

Dilip Kumar Maliwal
Chief Financial Officer

Saurabh Chakraborty
Company Secretary
(ACS: A-52813)

KAJARIA BATHWARE PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED '31 MARCH 2021

(Amount in Rupees lacs, unless otherwise stated)

	Year ended '31 March 2021	Year ended '31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before tax	**826.83**	**(243.88)**
Adjusted for :		
Depreciation and amortisation	449.22	463.27
Interest income	(29.04)	(4.29)
Finance costs	287.23	363.17
Loss on sale of property, plant and equipment	21.65	(1.79)
Items of other comprehensive income	(1.94)	(5.24)
	727.12	**815.12**
Operating profit before working capital changes	**1,553.95**	**571.24**
Working capital adjustments :		
Trade and other receivables	(582.58)	399.79
Inventories	(15.88)	(1,106.65)
Trade payable	242.05	285.73
Other financial liabilities	(0.41)	421.30
Other current liabilities	11.94	(191.66)
Provisions	28.63	33.26
	(316.25)	(158.23)
Cash Generated from Operations	1,237.70	413.01
Net Income taxes refund/(paid)	208.04	(25.03)
Net cash flow/(used in) operating activities	**1,445.74**	**387.98**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment (including increase in capital work in progress, intangible assets and capital creditors)	(661.99)	(559.65)
Proceeds from disposal of property plant and equipment	140.55	8.06
Interest received	29.04	4.29
Net cash flow (used in) investing activities	**(492.40)**	**(547.30)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of non-current borrowings (Net)	(390.00)	100.00
Interest Paid	(290.48)	(360.71)
Net Cash used in Financing Activities	**(680.48)**	**(260.71)**
Net increase in Cash and Cash Equivalents	**272.86**	**(420.03)**
Opening balance of Cash and Cash Equivalents as at the beginning of the year	(1,578.62)	(1,158.59)
Closing balance of Cash and Cash Equivalents as at the year end	**(1,305.76)**	(1,578.62)

KAJARIA BATHWARE PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED '31 MARCH 2021

(Amount in Rupees lacs, unless otherwise stated)

	Year ended '31 March 2021	Year ended '31 March 2020
Note to cash flow statement		
1 Components of cash and cash equivalents		
Balances with banks		
- Current accounts	99.30	13.90
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)		
Cash on hand	0.63	0.97
Short term borrowings - working capital and buyers credit facility	(1,405.69)	(1,593.49)
Cash and cash equivalents considered in the cash flow statement	**(1,305.76)**	**(1,578.62)**
2 Reconciliation of cash and cash equivelent with balance sheet:		
Cash and cash equivelent as per note 11	99.93	14.87
Short term borrowings considered as cash and cash equivelent in cash flow statement	(1,405.69)	(1,593.49)
Cash and cash equivelent in cash flow statement	**(1,305.76)**	**(1,578.62)**

3 The above Statement of cash flows has been prepared in accordance with the 'Indirect method' as set out in Indian Accounting Standard - 7 on 'Statement of Cash Flows' as specified in (Indian Accounting Standard) Amendment Rules, 2016

See accompanying notes forming part of the financial statements.

As per our report of even date attached
FOR O P BAGLA & CO.LLP
CHARTERED ACCOUNTANTS
FRN : 000018N/N500091

Nitin Jain
Partner
M.No 510841

Date: 21 May 2021
Place: New Delhi

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

For and on behalf of the board of directors

Rishi Kajaria
Managing Director
DIN 228455

Ashok Kumar Kajaria
Director
DIN 273877

Dilip Kumar Maliwal
Chief Financial Officer

Saurabh Chakraborty
Company Secretary
(ACS: A-52813)

KAJARIA BATHWARE PRIVATE LIMITED
Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 3A : Right to use Asset

	Building
As at 1 April 2019	10.91
Reclassification on account of addoption of Ind AS 116	418.28
Reclassification from Property, Plant and Equipment	-
Addition	-
Disposals	-
Depreciation	77.23
As at 31 March 2020	**351.96**
Addition	80.12
Disposals	115.17
Depreciation	62.34
As at 31 March 2021	**254.57**

Also refer Note no 36

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1. Corporate information

KAJARIA BATHWARE PRIVATE LIMITD ("KBPL" or "the Company") is a private limited company domiciled in India and was incorporated on 22nd May 2013. The Company is subsidiary company of Kajaria Ceramics Ltd. and has a subsidiary Kajaria Sanitaryware Private Limited. The registered office of the Company is located at J-1/B-1 Extension, Mohan Coop In Estate, Mathura Road, New Delhi.

The Company is engaged in manufacturing of Bathware fittings and it also trades in Sanitaryware items. The Company started its operations in the year 2015 with a manufacturing capacity of 10 lakhs pieces per annum of Bathware fittings at Gailpur (Rajasthan) and it also has trading division at Morbi (Gujarat).

The Company, through its subsidiary Kajaria Sanitaryware Private Limited, has also forayed into manufacturing sanitaryware items with a capacity of 7.50 lakhs pieces per annum at Morbi (Gujarat).

The financial statements of the Company for the year ended 31st March 2021 were authorized for issue in accordance with a resolution of the directors on 21st May 2021.

2. Significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

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

2.2 Significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

The Company classifies all other liabilities as non-current.

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

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b. Property, plant and equipment

i) Tangible assets

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation], net of accumulated depreciation.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipments are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipments are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

Particulars	Useful lives
Plant and Machinery	7.5 years

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

ii) Capital work in progress

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

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

c. Intangible Assets

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

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

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

d. Borrowing Costs

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

e. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

f. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, trading and other products are determined on weighted average basis.

g. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from operations includes sale of goods, services and excise duty, adjusted for discounts (net).

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

h. Foreign currency transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

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

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i. Taxes on income

Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

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

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

j. Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

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k. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

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

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

l. Leases

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

The Company as a lessee

Lases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in -substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under residual value guarantees, if any
- the exercise price of a purchase option if any, if the Company is reasonably certain to exercise that option
- payment for penalties for terminating the lease, if the lease term reflects the Company exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and 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. Variable lease payments that depends on sales are recognised in the statement of profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the statement of profit and loss. Short term leases are the leases with a lease term of 12 months or less. Further, rental payments for the land where lease period is considered to be indefinite or indeterminable, these are charged off to the statement of profit and loss.

m. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

n. Cash and cash equivalents

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

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

o. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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

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

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

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

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p. Financial instruments

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

(a) Financial assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial assets carried at amortised cost**

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

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

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

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

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

Derecognition

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

Investment in subsidiaries, joint ventures and associates

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

Impairment of financial assets

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

(b) Financial liabilities

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New Delhi
Chartered Accountants

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes

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that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

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When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of financial assets

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

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KAJARIA BATHWARE PRIVATE LIMITED
Statement of Changes in Equity for the year ended '31 March 2021

a **Equity share capital**

	As at '31 March 2021	As at '31 March 2020
Issued, subscribed and paid up capital (Refer note 13)		
Balance at the beginning of the year	2,500.00	2,500.00
Changes during the year	-	-
Balance at the end of the year	2,500.00	2,500.00

b **Instruments entirely equity in nature**

	As at '31 March 2021	As at '31 March 2020
Issued, subscribed and paid up compulsorily convertible preference shares (Refer note 13)		
Balance at the beginning of the year	441.18	441.18
Changes during the year	-	-
Balance at the end of the year	441.18	441.18

c **Other equity (refer note 14)**

	Reserves and Surplus		Total equity
	Securities premium	Retained earnings	
Balance as at 1 April 2019	**7,508.82**	**(4,159.06)**	**3,349.76**
Profit/(loss) for the year	-	(243.88)	(243.88)
Items of OCI for the year			
Reameasurement of defined benefit plans	-	(5.24)	(5.24)
Balance as at '31 March 2020	**7,508.82**	**(4,408.18)**	**3,100.64**
Profit/(loss) for the year	-	826.83	826.83
On share issued during the year	-	-	-
Items of OCI for the year			
Reameasurement of defined benefit plans	-	(1.94)	(1.94)
Balance as at '31 March 2021	**7,508.82**	**(3,583.29)**	**3,925.53**

See accompanying notes forming part of the financial statements.

As per our report of even date attached
FOR O P BAGLA & CO.LLP
CHARTERED ACCOUNTANTS
FRN : 000018N /N500091

Nitin Jain
Partner
M.No. 510841
Date: 21 May 2021
Place: New Delhi

For and on behalf of the board of directors

Rishi Kajaria
Managing Director
DIN 228455

Ashok Kumar Kajaria
Director
DIN 273877

Dilip Kumar Maliwal
Chief Financial Officer

Saurabh Chakraborty
Company Secretary
(ACS: A-52813)

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FRN: 000018N/N500091
New Delhi
Chartered Accountants

KAJARIA BATHWARE PRIVATE LIMITED
Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 3 :

a. Property, plant and equipment

	Freehold land	Building	Plant and machinery	Furniture and fixtures	Vehicles	Computers	Office equipments	Sales outlet	Total
Gross carrying amount :									
As 1 April 2019	175.25	1,597.73	2,959.03	25.30	180.16	24.53	37.46	486.20	5,485.66
Additions	-	2.28	30.46	0.26	81.73	0.92	0.53	-	116.18
Disposal	-			-	10.22	-	-	-	10.22
As '31 March 2020	175.25	1,600.01	2,989.49	25.56	251.67	25.45	37.99	486.20	5,591.62
Additions	-	52.58	269.74	3.12	115.63	4.91	26.31	45.31	517.60
Disposal	-			-	38.41	-	-	44.24	82.65
As '31 March 2021	175.25	1,652.59	3,259.23	28.68	328.89	30.36	64.30	487.27	6,026.57
Accumulated depreciation:									
As 1 April 2019	-	183.12	696.17	8.36	22.30	19.90	16.04	151.52	1,097.41
Depreciation for the year	-	50.76	200.80	2.92	26.27	2.47	4.95	92.73	380.90
Disposal					3.95	-		-	3.95
As '31 March 2020	-	233.88	896.97	11.28	44.62	22.37	20.99	244.25	1,474.36
Depreciation for the year	-	50.59	204.23	2.93	34.42	2.48	3.93	86.55	385.34
Disposal					12.43	-		23.19	35.62
As '31 March 2021	-	284.47	1,101.20	14.21	66.61	24.58	24.92	307.61	1,824.08
Net carrying amount :									
'31 March 2021	175.25	1,368.12	2,158.03	14.47	262.28	5.78	39.38	179.66	4,202.49
'31 March 2020	175.25	1,366.13	2,092.52	14.28	207.05	3.08	17.00	241.95	4,117.26

Note :

Refer to note 15 for information on property plant and equipment pledged as security by the Company for borrowings.

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KAJARIA BATHWARE PRIVATE LIMITED
Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 4 : Intangible assets

	Softwares
Gross carrying amount :	
As at at 1 April 2019	26.95
Additions	-
As at '31 March 2020	26.95
Additions	2.73
As at '31 March 2021	**29.68**
Accumulated amortisation :	
As at at 1 April 2019	18.96
Amortisation charge for the year	5.14
As at '31 March 2020	24.10
Amortisation charge for the year	1.54
As at '31 March 2021	**25.64**
Net carrying amount :	
As at '31 March 2021	**4.04**
As at '31 March 2020	2.85

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KAJARIA BATHWARE PRIVATE LIMITED

Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 5 : Investments	Non-Current '31 March 2021	Non-Current '31 March 2020	Current '31 March 2021	Current '31 March 2020
Investments in equity shares (Unquoted)				
- In subsidiary company (at cost) - Trade				
Kajaria Sanitaryware Private Limited 10,332,000 (March 31, 2020: 10,332,000) equity shares of Rs.10 each fully paid up)	1,123.92	1,123.92	-	-
	1,123.92	1,123.92	-	-
Aggregate value of unquoted investments	1,123.92	1,123.92	-	-
Aggregate amount of impairment in value of investments	-	-	-	-

* The investment in equity shares of subsidiary are measured as per Ind AS 27 'Separate Financial Statements'

Note 6 : Loans #

Loans at amortised cost (Unsecured, Considered good)	Non-Current '31 March 2021	Non-Current '31 March 2020	Current '31 March 2021	Current '31 March 2020
Security deposits	93.32	57.72	-	-
Loan to employees	-	-	40.13	40.80
	93.32	**57.72**	**40.13**	**40.80**

Loans are non derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties

KAJARIA BATHWARE PRIVATE LIMITED

Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 7 : Non current tax assets (net)

	Non-Current		Current	
	As at '31 March 2021	As at '31 March 2020	As at '31 March 2021	As at '31 March 2020
Non current tax assets (net)- Amount refundable from income tax	51.60	259.64	-	-
	51.60	**259.64**	-	-

Note 8 : Other non financial assets
(Unsecured, considered good)

	Non-Current		Current	
	As at '31 March 2021	As at '31 March 2020	As at '31 March 2021	As at '31 March 2020
Capital advances	3.24	-	-	-
Others				
Advances to Contractors and Suppliers	-	-	163.85	73.51
Employees	-	-	1.93	2.47
Prepaid expenses	-	-	60.08	64.99
Balance with statutory authorities	-	-	3.33	63.43
	3.24	-	**229.19**	**204.40**

KAJARIA BATHWARE PRIVATE LIMITED
Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 9 : Inventories (valued at lower of cost or net realisable value)

	As at '31 March 2021	As at '31 March 2020
Raw Materials	785.90	683.98
Work-in-Process	374.16	230.43
Finished Goods	746.93	1,085.63
Stock In Trade	1,846.98	1,804.96
Stores and Spares	90.83	66.59
Packing Materials	57.44	14.77
	3,902.24	3,886.36

(Inventories have been valued in accordance with accounting policy no. 2.2 (f) as referred in Note No.1&2) Also refer Note no 41 related to COVID impact.

Note 10 : Trade receivables

	As at '31 March 2021	As at '31 March 2020
Unsecured, Considered Good	2,859.47	2,192.63
Less: Allowance for expected credit losses	(1.22)	(1.22)
	2,858.25	2,191.41

No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person. No any trade or other receivable due from firms or private companies in which any director is a partner, director or a member.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Note 11 : Cash and cash equivalent

	As at '31 March 2021	As at '31 March 2020
a) Balance with banks		
- In current accounts	99.30	13.90
b) Cash on hand	0.63	0.97
	99.93	14.87

Note :
There are no repatriation restriction with regard to cash and cash equivelents as the end of the reporting period and previous period

Note 12 : Other financial assets

	As at '31 March 2021	As at '31 March 2020
(Unsecured, Considered Good)		
Dues from related party *	100.40	245.55
Claim receivable	8.39	7.20
	108.79	252.75

*Represent dues from subsidiary company M/s Kajaria Sanitaryware Private Limited, in which two directors of the Company are also directors

Break up of financial assets carried at amortised cost:

	As at '31 March 2021	As at '31 March 2020
Investments	1,123.92	1,123.92
Security deposits	93.32	57.72
Other dues from Related Parties	100.40	245.55
Advance to employees	40.13	40.80
Trade receivables	2,858.25	2,191.41
Cash and Cash Equivalents	99.93	14.87
Other financial assets	8.39	7.20
Total	**4,324.34**	**3,681.47**

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(Amount in Rupees lakhs, unless otherwise stated)

Note 13 : Equity Share capital	31 March, 2021	31 March, 2020
a) Authorised		
300,00,000 ('31 March 2020: 3,00,00,000) Equity shares of Rs. 10 each	3,000.00	3,000.00
50,00,000 ('31 March 2020: 50,00,000) Preference shares of Rs. 10 each	500.00	500.00
	3,500.00	3,500.00
	-	
b) Issued, subscribed and paid up		
Equity shares		
2,50,00,000 ('31 March 20120: 2,50,00,000) Equity Shares shares of Rs. 10 each	2,500.00	2,500.00
	2,500.00	2,500.00
Preference shares		
44,11,764 ('31 March 2020: 4411764 Shares) Compulsorily Convertible Preference shares of Rs. 10 each	441.18	441.18
	441.18	441.18

c) The Company has not issued/bought back any shares during the current year and previous year.

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

The Company has only one class of equity shares having face value of Rs. 10/- per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting. The holder of the share is entitiled to voting rights propotionate to their shareholding.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilties. The distribution will be in proportion to the number of equity shares held by the share holders.

e) Kajaria Ceramics Limited is the holding company of the Company and shares held by such holding company are mentioned in as below. The Company has a subsidiary Kajaria Sanitaryware Private Limited.

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

Particulars	As at '31 March 2021		As at '31 March 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Kajaria Ceramics Limited*	25,000,000	100%	25,000,000	100%

* including 100 shares held by Kajaria Ceramics Limited jointly with Mr. Ashok Kajaria, Director of the Company.

g) The Company has not issued any bonus shares or shares for a consideration other than cash immediately preceeding five years.

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(Amount in Rupees lakhs, unless otherwise stated)

h) Compulsorily Convertible Preference Shares:

The Company has issued one class of 0.01% compulsorily convertible preference shares (CCPS) with following terms and conditions:

1. The term of the CCPS is 9 (Nine) years from the date of issue of such CCPS.
2. The holder of the CCPS may convert the CCPS in whole or part into Equity Shares at any time prior before 9 years at the rate of 1 (one) Equity Share per 1 (one) CCPS.
3. Dividend will be paid 0.01% on face value of total number of shares or dividend % calculated for equity shares, whichever is highter.

i) Details of the Shareholders holding more than 5% CCPS in the Company

Particulars	As at '31 March 2021		As at '31 March 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
ARAVALI INVESTMENT HOLDING, MAURITIUS	4,411,764	100%	4,411,764	100%

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KAJARIA BATHWARE PRIVATE LIMITED
Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 14 : Other Equity

	As at '31 March 2021	As at '31 March 2020
Reserves and Surplus		
Security premium reserve		
Balance at the beginning/end of the year	**7,508.82**	**7,508.82**
Retained earnings		
Balance at the beginning of the year	(4408.18)	(4159.06)
Profit/(loss) for the year	826.83	(243.88)
Items of Other Comprehensive Income for the year, net of tax	(1.94)	(5.24)
Balance at the end of the year	**(3583.29)**	**(4408.18)**
Total other equity	**3925.53**	**3100.64**

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KAJARIA BATHWARE PRIVATE LIMITED
Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 15 : Borrowings

	Non-Current		Current	
	As at '31 March 2021	As at '31 March 2020	As at '31 March 2021	As at '31 March 2020
Term loans (secured) (refer note A)				
From banks	-	400.00	-	-
Less: current maturities of long term debts (refer to note 17)	-	(400.00)		
	-	-	-	-
Buyers credit facility (secured) (refer note B)				
From banks	-	-	1,197.11	896.40
Working capital facilities - (secured) (refer note C)				
From banks	-	-	208.58	697.09
Inter corporate loan - unsecured (refer note D)				
From related party	1,900.00	1,890.00	-	-
	1,900.00	1,890.00	1,405.69	1,593.49

TERMS OF BORROWINGS

A) TERM LOAN

Secured against exclusive charge on immovable and movable assets of the company, both present & future. Rate of Interest is MCLR+spread. Present rate is 8.15% p.a. The loan was repayable in 14 quarterly installments of Rs 150 lacs each and 2 quarterly installments of Rs. 200 lacs each w.e.f. December 2016 till August 2020.

B) BUYERS CREDIT

Secured against Hypothecation of entire raw materials, stock in process, stores & spares, packing materials, finished goods and book debts of the company, both present & future. Rate of Interest is Libor + Spread.

C) WORKING CAPITAL

Secured against 1st charge on Inventories and Book debts of the Company, both present & future. Rate of Interest is MCLR + Spread. Present rate is 7.30% p.a.

Other Note :
(i) Term loan, buyers credit and working capital facility loans are further secured by gaurantee of Holding Company M/s. Kajaria Ceramics Limited
(ii) There is no continuing default on the balance sheet date in repayment of loan and interest

D) Inter corporate loans represents amount borrowed from M/s Kajaria Ceramics Ltd - Holding Company. Bearing interest @ 7% p.a. No stipulation has been fixed for repayment of loans

There is no continuing default on the balance sheet date in repayment of loan and interest

Note 15A : Other Financial Liabilities

	Non-Current		Current	
	As at '31 March 2021	As at '31 March 2020	As at '31 March 2021	As at '31 March 2020
Lease Liabilities	244.37	292.09	41.75	81.18
	244.37	292.09	41.75	81.18

Note 16 : Provisions

	Non-Current		Current	
	As at '31 March 2021	As at '31 March 2020	As at '31 March 2021	As at '31 March 2020
Provision for employee benefits (refer note 30)				
Gratuity	96.07	78.90	19.29	5.43
Accumulated leaves	58.53	58.70	15.65	17.88
	154.60	137.60	34.94	23.31

Note 17 : Trade Payables

	As at '31 March 2021	As at '31 March 2020
Trade payables		
Dues of Micro and Small Enterprises	363.29	122.24
Dues to others	832.06	831.06
	1195.35	953.30

All amounts are short-term. The net carrying value of trade payables is considered a reasonable approximation of fair value.

Note 18 : Other Financial Liabilities

	Current	
	As at '31 March 2021	As at '31 March 2020
Current maturities of long term debts	-	400.00
Interest accrued but not due	6.27	9.52
Creditors for capital goods	0.62	0.58
Interest bearing deposits from customers	346.02	334.32
Outstanding Liabilities *	679.48	604.44
	1032.39	1348.86
* Outstanding liabilities include :		
Compensation payable	230.08	212.66
Payable for expenses	449.40	391.78

Break up of financial liabilities carried at amortised cost:

	As at '31 March 2021	As at '31 March 2020
Trade payables	1,195.35	953.30
Other financial liabilities	1,032.39	1,348.86
Borrowings (current)	1,405.69	1,593.49
Borrowings (non - current)	1,900.00	1,890.00
Lease Liabilities	286.12	373.27
	5,819.55	6,158.92

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KAJARIA BATHWARE PRIVATE LIMITED
Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note 19 : Other Current liabilities

	As at '31 March 2021	As at '31 March 2020
Advance from Customers	46.47	103.28
Statutory Dues Payable	123.68	54.93
	170.15	158.21

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(Amount in Rupees lakhs, unless otherwise stated)

Note 20 : Revenue from operations

	Year ended '31 March 2021	Year ended '31 March 2020
Sale of products - Faucet, Sanitaryware and other allied products	12,978.13	10,762.77
Other operating income - Scrap sale	112.97	79.74
	13,091.10	**10,842.51**

Sale of products are net of discounts amounting to Rs.285.57 lakhs ('31 March 2020: Rs. 793.58 lakhs) which has been issued to customers after invoices.

Note 21 : Other Income

	Year ended '31 March 2021	Year ended '31 March 2020
Interest income on :		
- Loan to subsidiary	-	3.63
- Others	29.04	0.66
Net gain on foreign currency transaction and translation	-	13.78
Other income:		
- Sundry Balances Written Back	10.62	28.97
-Gain on Sale of Property Plant & Equipment	-	1.79
-Misc income	33.60	-
	73.26	48.83

Note 22 : Cost of materials consumed

	Year ended '31 March 2021	Year ended '31 March 2020
Body Material	3,408.91	2,720.09
Packing Material	165.60	111.35
	3,574.51	2,831.44

Note 23 : Changes in inventories of finished goods, stock in trade and work in progress

	Year ended '31 March 2021	Year ended '31 March 2020
Opening stock		
Finished Goods	1,085.63	697.69
Stock In Trade	1,804.96	1,378.57
Work-in-Process	230.43	184.03
	3,121.02	**2,260.29**
Closing stock		
Finished Goods	746.93	1,085.63
Stock In Trade	1,846.98	1,804.96
Work-in-Process	374.16	230.43
	2,968.07	**3,121.02**
	152.95	**(860.73)**

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(Amount in Rupees lakhs, unless otherwise stated)

Note 24 : Employee benefit expense

	Year ended '31 March 2021	Year ended '31 March 2020
Salary, wages, bonus and allowance	2,822.32	2,618.66
Contribution to provident fund and other funds	105.22	123.18
Staff Welfare expenses	47.29	50.76
Less: Recovery of expenses *	(1260.00)	(1440.00)
	1,714.83	1,352.60

* Represents amount recovered from subsidiary company M/S Kajaria Sanitaryware Private Limited

Note 25 : Finance Costs

	Year ended '31 March 2021	Year ended '31 March 2020
Interest on debts and borrowings	271.07	343.07
Other ancillary borrowings costs	16.16	20.10
	287.23	363.17

Note 26 : Depreciation and amortization expense

	Year ended '31 March 2021	Year ended '31 March 2020
Depreciation of property, plant and equipment (refer to note 3)	385.34	380.90
Amortisation of intangible assets (refer to note 4)	1.54	5.14
Depreciation on right to use assets	62.34	77.23
	449.22	463.27

Note 27 : Other expenses

	Year ended '31 March 2021	Year ended '31 March 2020
Power and Fuel	232.09	233.99
Stores Consumed	207.14	169.70
Repair and Maintenance		
-Buildings	2.68	10.92
-Machinery	7.53	3.82
-Other	4.83	6.03
Auditor's Remuneration		
-As Audit Fee	5.00	5.00
-For Other matters	3.78	4.53
Legal and Professional Expenses	19.65	16.98
Communication Expense	25.66	25.46
Rent Expenses	100.12	106.83
Advertisement and Sales Promotion Expenses *	748.25	1,144.75
Freight, Handling and Distribution Expenses	472.09	452.21
Rates and taxes	5.59	5.62
Printing and stationary	16.28	17.01
Insurance Expenses	30.37	27.73
Travelling and Conveyance Expense	430.04	602.08
Security Charges	31.98	33.59
Provision for expected credit loss	-	1.22
Net Loss on foreign currency transaction and translation	46.83	-
Loss on sale of property plant and equipment	21.65	-
Vehicle Running and Maintenance Expenses	17.55	18.32
Miscellaneous Expenses	46.02	37.54
	2,475.13	2,923.33

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(Amount in Rupees lakhs, unless otherwise stated)

* Net of amount recovered from subsidiary company M/S. Kajaria Sanitaryware Private Limited Rs. Nil (Previous year Rs. 250 Lacs)

Note -28
Earning per share

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

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

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

Profit attributable to equity holders of the Company:	**Year ended '31 March 2021**	**Year ended '31 March 2020**
Profit attributable to equity holders of the Company for basis earnings (Rs. In lakhs) for the year:	826.83	(243.88)
Weighted Average number of equity shares in calculating basic earnings per Share (Nos.)	25000000	25000000
Weighted Average number of equity shares in calculating diluted earnings per Share (Nos.) *	29411764	25000000
Earning Per Share		
Basic (Rs.)	3.31	(0.98)
Diluted (Rs.)	2.81	*(0.98)
Face Value per equity share	10.00	10.00

* Compulsorily Convertible Preference Shares (CCPS) have been ignored being anti dilutive

(Amount in Rupees lakhs, unless otherwise stated)

Note 29

CONTINGENT LAIBILITY & CAPITAL COMMITMENT

	As at '31 March 2021	As at '31 March 2020
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for :	7.55	-

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Note - 30

A Defined Contribution Plans - General Description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the provident fund is Rs. 103.02 lacs (31 March 2020 : Rs.100.32 lacs)

B Defined Benefit Plans - General Description

Gratuity:

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Company makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation as per the projected unit credit method.

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

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

	'31 March 2021	'31 March 2020
Defined benefit obligation at the beginning of the year	84.33	54.76
Current service cost	24.02	20.50
Interest cost	5.07	3.83
Benefits paid	-	-
Actuarial (gain)/ loss on obligations - OCI	1.94	5.24
Defined benefit obligation at the end of the year	**115.36**	**84.33**

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

	'31 March 2021	'31 March 2020
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Return on plan assets	-	-
Benefits paid	-	-
Expected Interest Income on plan assets	-	-
Acturial gain/(loss) on plan asset	-	-
Fair value of plan assets at the end of the year	-	-

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

	'31 March 2021	'31 March 2020
Fair value of plan assets	-	-
Defined benefit obligation	115.36	84.33
Amount recognised in the Balance Sheet	**115.36**	**84.33**
Current	19.29	5.43
Non current	96.07	78.90

Amount recognised in Statement of Profit and Loss:

	'31 March 2021	'31 March 2020
Current service cost	24.02	20.50
Net interest expense	5.07	3.83
Amount recognised in Statement of Profit and Loss	**29.09**	**24.33**

Amount recognised in Other Comprehensive Income:

	'31 March 2021	'31 March 2020
Actuarial (gain)/loss - obligation	1.94	5.24
Amount recognised in Other Comprehensive Income:	**1.94**	**5.24**

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	'31 March 2021	'31 March 2020
Discount rate	6.00%	7.00%
Future salary increases	5.00%	5.00%
Attrition Rate / Withdrawl Rate	20.00%	20.00%
Retirerment age	58 years	58 years
Limit (Rs. In lakhs)	20.00	20.00
Mortality	IALM 2012-14	IALM 2012-14

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

Gratuity Plan	Sensitivity level		Impact on DBO	
	'31 March 2021	'31 March 2020	'31 March 2021	'31 March 2020
Assumptions				
Discount rate	1%	1%	(4.79)	(3.36)
	-1%	-1%	5.21	3.64
Future salary increases	1%	1%	5.21	3.68
	-1%	-1%	(4.88)	(3.45)
Withdrawal rate	1%	1%	(0.23)	(0.30)
	-1%	-1%	0.22	0.28

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
Sensitivities due to mortality and withdrawals are insiginificant and hence ignored.
Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The following payments are expected contributions to the defined benefit plan in future years:

		From "31 March 2021	From "31 March 2020
Within next 12 months (next annual reporting period)		19.29	5.43
Between 1 and 5 years		33.61	23.32
Beyond 5 years		62.46	55.57
Total expected payments		**115.36**	**84.32**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 19 ('31 March 2020: 20 years).

Expected contribution for next year is Rs. 31.78 lacs (31 March 2020 : Rs. 32.05 lacs)

C Other long-term benefits - Compensated absences (unfunded)

	As at '31 March 2021	As at '31 March 2020
Amounts recognised in the balance sheet	74.18	76.58

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(Amount in Rupees lakhs, unless otherwise stated)

Note -31
Dues to Micro and Small Enterprises

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

Rs in Lakhs

Particulars	March 31, 2021	March 31, 2020
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	363.29	122.24
Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

*Based on the information received in Current Year.

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KAJARIA BATHWARE PRIVATE LIMITED

Notes to financial statement for the year ended '31 March 2021

(Amount in Rupees lakhs, unless otherwise stated)

Note -32

Segment Reporting

The business activity of the Company falls within one business segment viz. "Sanitaryware and Bathware fittings" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108 Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" notified by the Companies (Indian Accounting Standards) Rules, 2014 (as amended), is not considered applicable.

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Note - 33

A List of related parties

Name of the related party	Relationship
Kajaria Ceramics Limited	Holding Company
Kajaria Sanitaryware Private Limited	Subsidiary Company
Dua Engineering Private Limited	Enterprises owned by key managerial personnel

B Transactions during the year:

	Year ended '31 March 2020	Year ended '31 March 2019
Kajaria Ceramics Limited		
Amount borrowed & paid (Net)	10.00	700.00
Purchase of goods (Net)	2.19	0.11
Rent Paid	77.57	106.83
Interest paid	160.06	100.09
Reimbursement of Expenses	39.13	71.45
Kajaria Sanitaryware Private Limited		
Salary, wages, bonus and allowance (including management charges)	1,260.00	1,440.00
Advertisement, publicity and sales promotion	-	250.00
Reimburesement of Expenes	-	26.04
Dua Engineering Private Limited		
Rent paid	4.34	11.57

C Balance outstanding at the end of the year

	Year ended '31 March 2020	Year ended '31 March 2019
Holding Company - Kajaria Ceramics Limited		
- Borrowings	1,900.00	1,890.00
- Other balance payables	-	28.74
Subsidiary Company - Kajaria Sanitaryware Private Limited		
- Other Receivables	100.40	245.55
Dua Engineering Private Limited		
- Other balance payables	-	1.04

Terms and conditions of transactions with related parties

The transaction to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables.Tem loans , Buyers Credit Facilities are guaranted by holding company, Kajaria Ceramics Ltd. For the year ended '31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Notes to financial statement for the year ended '31 March 2021
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34. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, security deposits and others. The Company's principal financial assets include trade and other receivables, loans and cash and short-term deposits and loans.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is reviewing financial risks and the appropriate financial risk governance framework. The Company's management ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include , deposits.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at '31 March 2021 and 31 March 2020.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 37.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. However the risk is very low due to negligible borrowings by the Company.

	Increase/decrease in basis points	Effect on loss before tax
		INR In lacs
31-Mar-21		
INR	+50	(13.46)
INR	-50	13.46
31-Mar-20		
INR	+50	(15.11)
INR	-50	15.11

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in USD rate	Effect on loss before tax
		INR in Lacs
31-Mar-21	+5%	(56.14)
	-5%	56.14
31-Mar-20	+5%	(40.26)
	-5%	40.26

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Kajaria Bathware Private Limited
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED '31 March 2021
(Amount in Rupees Lakh, unless otherwise stated

Note: 35
Capital Management

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

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended '31 March 2021.

	At '31 March 2021	At '31 March 2020
Borrowings	3,305.69	3,883.49
Net debts A	**3,305.69**	**3,883.49**
Total Equity B	**6,866.71**	**6,041.82**
Gearing ratio (A/B)	**0.48**	**0.64**

36 Leases

Operating lease commitments - Company as lessee

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are re-negotiated. Rent amounting to ₹100.12 lakhs ('31 March 2020: ₹ 106.83 lakhs) has been debited to the Statement of Profit and Loss during the year.

IND AS 116

a) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term(years)
Building	5	1 to 8 years	4.5 years
(previous year)	5	1 to 8 years	5.5 years

There are no leases entered by the Company which have purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

b) **(i) Amounts recognised in balance sheet and statement of profit and loss :**

The balance sheet shows the following amounts relating to leases:

(Rs. in Lakhs)

Particulars	Category of right-of-use assets	
	Buildings	Total
Opening balance	10.91	10.91
Balance as at 1 April 2019 (on account of initial application of Ind AS 116)	418.28	418.28
Add: Additions	-	-
Less: Depreciation charged on the right-of-use assets	77.23	77.23
Balance as at 31 March 2020	351.96	351.96
Addition	80.12	80.12
Disposals	115.17	115.17
Depreciation	62.34	62.34
As at 31 March 2021	254.57	254.57

c) **Lease payments not recognised as lease liabilities:**

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Expenses relating to short term leases (included in other expenses)		100.12	106.83
Total		100.12	106.83

d) The total cash outflow for finance leases for the year ended 31 March 2021 is Rs. 87.15 lacs (31 March 2020 : 93.12 Lacs)

e) **Future minimum lease payments as on 31 March 2021 are as follows:**

	As on 31 March 2021		
Minimum lease payments due	Lease payments	Finance charges	Net present values
Within 1 year	70.82	29.08	41.74
1 - 2 years	71.75	24.83	46.92
2 - 3 years	79.14	20.07	59.07
3 - 4 years	81.59	14.01	67.58
4 - 5 years	65.60	7.31	58.29
After 5 years	13.64	1.12	12.52
Total	382.54	96.41	286.12

	As on 31 March 2020		
Minimum lease payments due	Lease payments	Finance charges	Net present values
Within 1 year	100.92	42.93	57.99
1 - 2 years	92.75	36.26	56.49
2 - 3 years	86.35	29.76	56.59
3 - 4 years	76.51	23.25	53.26
4 - 5 years	79.11	17.13	61.98
After 5 years	98.99	12.05	86.94
Total	534.63	161.37	373.27

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KAJARIA BATHWARE PRIVATE LIMITED

OTHER NOTES ON ACCOUNTS

37. Deferred Tax Asset/Liability

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

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

38. In the opinion of Directors the value of realisation of current assets, loans & advances in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

39. Foreign currency exposure not hedged by derivative instrument or otherwise:

Particulars		31-03-2021 (in Rs Lakhs)		31-03-2020 (in Rs Lakhs)	
		Foreign Currency	Foreign Currency	Foreign Currency	Indian Rupee
Payables					
For Goods and Services	EURO	0.81	70.52	1.86	156.76
	USD	-	-	-	-
Buyers' Credit	EURO	0.85	74.42	1.08	91.10
	USD	15.13	1122.69	10.61	805.30

40. Impact of COVID-19 on the company

The SAARC-COV2 virus continues to spread globally including India, which has resulted in significant decline and volatility and disruption in economic/financial activities. On 11 March 2020, COVID -19 was declared as global pandemic by World Health Organization.

Amidst the tumult of this unprecedented age of virus, the company has allowed its employees to "Work from Home" after declaration of national lockdown for prevention

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and safeguard of the employees of the company. Nevertheless, business activities from the date of lockdown were suspended. In the meanwhile, government of India and other regulators e.g. Reserve Bank of India, Income tax authorities came up with variety of measures to mitigate the impact of economic and financial disruptions. Inventory as at end of the year has been taken on the basis of physical verification after lifting the lockdown and impact has been affected in valuation considered in the financial statement, if any, due to change in quantity/quality of the inventories.

Though the pandemic is still evolving and impact on working of the company is uncertain, management is of the view that looking into its nature of business and the products company is dealing in, and steps being taken to provide support by various means from the regulators/governments, there are no reason the believe that current crisis will have any significant impact on the ability of the company to maintain its normal business operations including the assessment of going concern for the company. However, the extent to which the pandemic will impact working of the company, which is highly uncertain.

As per our report of even date attached
For O P Bagla & Co LLP
Chartered Accountants
FRN 000018N/N500091

Nitin Jain
Partner
M.No. 510841
Place: New Delhi
Date: 21 May 2021

For and on behalf of the board of Directors

Rishi Kajaria
Managing Director
(DIN 228455)

Ashok Kumar Kajaria
Director
(DIN 273877)

(Dilip Kumar Maliwal)
Chief Financial Officer

Saurabh Chakraborty
Company Secretary
(ACS No. A-52813)

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