

Independent Auditor's Report

To the Members of Kajaria Bathware Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Kajaria Bathware Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. 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 the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Standalone Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.



Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

8. 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 Standards on Auditing 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.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' 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 financial statements or, if such disclosures are inadequate, to modify



Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

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; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor, O P Bagla & Co LLP Chartered Accountants, who have expressed an unmodified opinion on those financial statements vide their audit report dated 16 May 2022.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

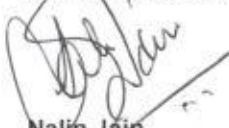


Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

- i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2023;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(ii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(ii) to the standalone financial statements, no funds have been received by the Company from any persons or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Nalin Jain
Partner
Membership No.: 503498



UDIN: 23503498BGRGBO8856

Place: New Delhi
Date: 12 May 2023

Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, capital work-in-progress and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Capital work-in-progress, Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records
- (b) As disclosed in note 30 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs 500 lakhs by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.
- (iii) (a) The Company has made investments in and provided loan to Subsidiary during the year as per details given below:

Rs in lakhs	
Particulars	Loans
Aggregate amount provided/granted during the year:	
- Subsidiary	1,245.50
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiary	345.50



Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023

- (b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.
 - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
 - (d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
 - (e) The Company has not granted loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
 - (f) The Company has not granted any loan, which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.



Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023

- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.



Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023

- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Nalin Jain
Partner

Membership No.: 503498

UDIN: 23503498BGRGBO8856

Place: New Delhi

Date: 12 May 2023



Walker ChandioK & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Kajaria Bathware Private Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statement criteria established by the Company considering the essential component of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Kajaria Bathware Private Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Nalin Jain
Partner
Membership No.: 503498

UDIN: 23503498BGRGBO8856

Place: New Delhi
Date: 12 May 2023



(Amount in Rupees lakhs, unless otherwise stated)

Notes	As at 31 March 2023	As at 31 March 2022	
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4,411.46	4,187.53
(b) Right to use Asset		446.68	594.99
(c) Capital work in progress	3	1.33	64.22
(d) Intangible assets	4	8.63	10.69
(e) Financial assets:			
(i) Investments	5	2,025.92	1,123.92
(ii) Other financial assets	12	156.32	110.44
(iii) Loans	6	345.50	-
(f) Non-current tax assets (net)	7	383.05	206.35
(g) Other non-current assets	8	-	79.06
Total non-current assets		7,778.89	6,377.20
Current assets			
(a) Inventories	9	4,388.31	4,555.27
(b) Financial assets			
(i) Trade receivables	10	2,664.69	3,011.94
(ii) Cash and cash equivalents	11	59.91	4.52
(iii) Loans	6	88.20	54.14
(iv) Other financial assets	12	39.30	7.11
(c) Other current assets	8	253.18	305.84
Total current assets		7,493.59	7,938.82
Total assets		15,272.48	14,316.02
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	5,774.99	4,922.70
Total equity		8,716.17	7,863.88
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,000.00	1,900.00
(ii) Lease Liabilities	15A	362.30	512.11
(b) Provisions	16	265.29	191.31
Total non-current liabilities		2,627.59	2,603.42
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	376.37	1,022.70
(ii) Trade Payables	17		
-Total outstanding dues of micro and small enterprises; and		488.60	271.65
-Total outstanding dues of creditors other than micro and small enterprises		1,287.33	882.68
(iii) Lease Liabilities	15A	144.92	144.92
(iv) Other financial liabilities	18	1,189.94	1,186.07
(b) Other current liabilities	19	402.65	296.45
(c) Provisions	16	38.91	44.25
Total current liabilities		3,928.72	3,848.72
Total equity and liabilities		15,272.48	14,316.02

Summary of significant accounting policies and other explanatory information 1 - 44

As per our report of even date attached
For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. : 001076N/N500013


Nalin Jain
Partner
M.No. 503948



Date: 12 May 2023
Place: New Delhi

For and on behalf of the board of directors
of Kajarja Bathware Private Limited


Rishi Kajarja
Managing Director
DIN 228455


Ashok Kajarja
Director
DIN 273877


Dilip Kumar Maliwal
Chief Financial Officer


Saurav Chakraborty
Company Secretary
(ACS: A-52813)



KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rupees lakhs, unless otherwise stated)

	Notes	For the Year ended 31 March 2023	For the Year ended 31 March 2022
I INCOME			
Revenue from operations	20	20,871.55	18,505.04
Other income	21	108.09	20.02
TOTAL INCOME (I)		20,979.64	18,525.06
II EXPENSES			
Cost of materials consumed	22	6,462.81	5,751.77
Purchase of stock-in-trade		4,284.63	4,635.54
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	199.46	(708.41)
Employee benefits expense	24	4,339.16	3,732.65
Finance costs	25	316.80	260.56
Depreciation and amortization expenses	26	583.38	531.04
Other expenses	27	3,923.66	3,315.22
Total expenses (II)		20,109.90	17,518.37
III Profit before tax (I-II)		869.74	1,006.69
IV Tax expense:			
Deferred tax		-	-
V Profit for the year (III - IV)		869.74	1,006.69
VI Other Comprehensive Income (OCI)			
Items that will not be reclassified to statement of profit and loss			
-Reameasurements of defined benefit plans		(17.45)	(9.52)
Total other comprehensive income for the year, net of tax		(17.45)	(9.52)
Total comprehensive income for the year (comprising profit and other comprehensive income for the year) (V+ VI)		852.29	997.17
VIII Earnings per equity share (face value of Rs. 10 each)	28		
(1) Basic (in Rs.)		3.48	4.03
(2) Diluted (in Rs.)		2.96	3.42

Summary of significant accounting policies and other explanatory information 1 - 44

As per our report of even date attached
For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm Registration No. : 001076N/N500013

Nalin Jain
 Partner
 M.No. 503948

Date: 12 May 2023
 Place: New Delhi



For and on behalf of the board of directors
 of Kajaria Bathware Private Limited

Rishi Kajaria
 Managing Director
 DIN 228455

Ashok Kajaria
 Director
 DIN 273877

Dilip Kumar Maliwal
 Chief Financial Officer

Saurav Chakraborty
 Company Secretary
 (ACS: A-52813)



KAJARIA BATHWARE PRIVATE LIMITED
CIN - U26943DL2013PTC252495
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rupees lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	869.74	1,006.69
Adjusted for :		
Depreciation and amortisation	583.38	531.04
Interest income	(71.82)	(1.69)
Finance costs	316.80	260.56
Loss/(Gain) on sale of property, plant and equipment	(10.22)	5.56
Items of other comprehensive income	(17.45)	(9.52)
	800.69	785.95
Operating profit before working capital changes	1,670.43	1,792.64
Working capital adjustments :		
Trade and other receivables	287.78	(159.79)
Inventories	166.96	(653.03)
Trade payable	621.60	(41.02)
Other financial liabilities	3.50	605.98
Other current liabilities	106.20	126.30
Provisions	68.64	46.02
	1,254.68	(75.54)
Cash Generated from Operations	2,925.11	1,717.10
Net Income taxes refund/(paid)	(176.70)	(154.75)
Net cash flow generated from operating activities (A)	2,748.41	1,562.35
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment (including increase in capital work in progress, intangible assets and capital creditors)	(541.33)	(977.69)
Proceeds from disposal of property plant and equipment	37.10	42.56
Loan Given	(345.50)	-
Investment in subsidiary	(902.00)	-
Interest received	71.82	1.69
Net cash flow (used in) investing activities (B)	(1,679.91)	(933.44)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of non-current borrowings (Net)	100.00	-
Interest Paid	(259.18)	(219.53)
Payment of lease liabilities	(207.60)	(121.80)
Proceeds/(repayment) of short-term borrowings (net)	(646.33)	(382.99)
Net cash flow (used in) financing activities (C)	(1,013.11)	(724.32)
Net increase in Cash and Cash Equivalents (A+B+C)	55.39	(95.41)
Opening balance of Cash and Cash Equivalents as at the beginning of the year	4.52	99.93
Closing balance of Cash and Cash Equivalents as at the year end	59.91	4.52



KAJARIA BATHWARE PRIVATE LIMITED
 CIN - U26943DL2013PTC252495
 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rupees lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Balances with banks	59.02	3.52
- Current accounts	0.89	1.00
Cash on hand	59.91	4.52
Cash and cash equivalents considered in the cash flow statement		

Note to cash flow statement

Components of cash and cash equivalents are as below:

Balances with banks

- Current accounts

Cash on hand

Cash and cash equivalents considered in the cash flow statement

Note 1 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

Note 2

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Year ended 31 March 2023	Year ended 31 March 2022
Current borrowings	376.37	1,022.70
Lease liabilities	507.22	657.03
Non-current borrowings	2,000.00	1,900.00
Net debt	2,883.59	3,579.73

Net debt as at 1 April 2021

Add : Lease liabilities on leased entered during the year

Interest expenses on lease liabilities

Cash flows (net)

Net debt as at 31 March 2022

Add : Lease liabilities on leased entered during the year

Interest expenses on lease liabilities

Cash flows (net)

Net debt as at 31 March 2023

	Current borrowings	Lease liabilities	Non-current borrowings
Net debt as at 1 April 2021	1,405.69	286.12	1,900.00
Add : Lease liabilities on leased entered during the year		450.55	
Interest expenses on lease liabilities		42.16	-
Cash flows (net)	(382.99)	(121.80)	-
Net debt as at 31 March 2022	1,022.70	657.03	1,900.00
Add : Lease liabilities on leased entered during the year		57.79	-
Interest expenses on lease liabilities	(646.33)	(207.60)	100.00
Cash flows (net)	376.37	507.22	2,000.00
Net debt as at 31 March 2023			

Summary of significant accounting policies and other explanatory information

1 - 44

As per our report of even date attached
 For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm Registration No. : 001076N/N500013


 Nalin Jain
 Partner
 M.No. 503948

Date: 12 May 2023
 Place: New Delhi



For and on behalf of the board of directors
 of Kajaria Bathware Private Limited


 Rishi Kajaria
 Managing Director
 DIN 228455


 Ashok Kajaria
 Director
 DIN 273877


 Dilip Kumar Maliwal
 Chief Financial Officer


 Saurav Chakraborty
 Company Secretary
 (ACS: A-52813)



KAJARIA BATHWARE PRIVATE LIMITED
CIN - U26943DL2013PTC252495
Statement of Changes in Equity for the year ended 31 March 2023

a Equity share capital

	As at 31 March 2023	As at 31 March 2022
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 2023	As at 31 March 2022
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 2021	7,508.82	(3,583.29)	3,925.53
Profit for the year	-	1,006.69	1,006.69
Items of OCI for the year			
Reameasurement of defined benefit plans	-	(9.52)	(9.52)
Balance as at 31 March 2022	7,508.82	(2,586.12)	4,922.70
Profit for the year	-	869.74	869.74
On share issued during the year	-	-	-
Items of OCI for the year			
Reameasurement of defined benefit plans	-	(17.45)	(17.45)
Balance as at 31 March 2023	7,508.82	(1,733.83)	5,774.99

Summary of significant accounting policies and other explanatory information. 1 - 44

As per our report of even date attached
For Walker Chandniok & Co LLP
 Chartered Accountants
 Firm Registration No. : 001076N/N500013


 Nalin Jain
 Partner
 M.No. 503948
 Date: 12 May 2023
 Place: New Delhi



For and on behalf of the board of directors
 of Kajaria Bathware Private Limited


 Rishi Kajaria
 Managing Director
 DIN 228455


 Dilip Kumar Maliwal
 Chief Financial Officer


 Ashok Kajaria
 Director
 DIN 273877


 Saurav Chakraborty
 Company Secretary
 (ACS: A-52813)



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

1. Corporate information

KAJARIA BATHWARE PRIVATE LIMITED ("KBPL" or "the Company") is a private limited company domiciled in India and was incorporated on 22nd May 2013. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange. The registered office of the Company is located at J-1/B-1 Extension, Mohan Co-op Industrial Estate, Mathura Road, New Delhi - 110044, India.

The Company is engaged in manufacturing of Bathware fittings and it also trades in Sanitaryware items.

The financial statements for the year ended 31 March 2023 were authorised in accordance with a resolution of Board of Directors on 12th May 2023.

2. Application of Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorized have been considered in preparing these standalone financial statements.

(i) Standards issued but not effective

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

- a. Ind AS 1 – Presentation of Financial Statements – the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.
- b. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.
- c. Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

The above amendments are effective from annual periods beginning on or after 1st April, 2023.

The amendments under Indian Accounting Standards, effective from 1 April 2022, do not have any material impact on the Company.



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

(ii) Significant accounting policies and other explanatory information

A. Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and guidelines issued by the Security Exchange Boards of India.

The financial statements have been prepared under the historical cost convention and amortised costs basis except for certain financial assets and liabilities which are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements of the Company are presented in Indian Rupees (₹/Rs.), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimals in crores as per the requirement of Schedule III to the Act, unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

B. Overall considerations

The standalone financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

These accounting policies have been used throughout all periods presented in the standalone financial statements.

C. 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.



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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

b. Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognises revenue at the point in time, when control of the asset is transferred to the customer depending upon the terms of sale with the customers.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as goods and service tax is excluded from revenue.

Interest income and dividend:

Interest income is recognised using effective interest method.

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

Export benefits:

The Company recognises income from duty drawback and export benefit on an accrual basis.

c. Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores and spares, stock-in-trade and other products are carried at the lower of cost and net realizable value.

In determining the cost of raw materials, packing materials, stock-in-trade, stores and spares and other products, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

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

d. Property, plant and equipment

Measurement and recognition

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

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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

Capital work-in-progress and capital advances

Capital work in progress includes construction stores including material / equipment / services, etc. received at site for use in the projects. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as per requirement of Schedule III.

Depreciation

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

Particulars	Useful lives
Plant and machinery	7.5 years

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower.

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

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

e. Intangible Assets

Measurement and recognition

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

Amortisation

Intangible assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

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

De-recognition

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

f. Research and development costs

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred.

Items of property, plant and equipment utilized for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

g. Borrowing costs

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

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

h. Foreign currency transactions

Initial recognition:

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

Measurement of foreign currency items at reporting date:



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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

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

i. Government grants

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

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

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

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant (deferred income) is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. The loan or assistance is subsequently recognised in the statement of profit and loss on a straight line basis over the period of loan.

j. Taxes on income

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

Current tax

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

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

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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

Deferred tax

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

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

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

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

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

k. Employee benefits

Short term employee benefits:

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

Post-employment benefits:

I. Defined contribution plans:

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

II. Defined benefit plans:

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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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

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

Other long-term employee benefits:

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

l. Share-based payments

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

m. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

n. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

o. 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.

p. Earnings per share

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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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

q. Cash and cash equivalents

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

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

r. 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 amortised 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 recognised 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. However, Trade Receivables that does not contain a significant financial component are measured at transaction price.

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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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.

De-recognition

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

Impairment of financial assets

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

b) Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, 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 amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation 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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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 recognised in the statement of profit and loss.

De-recognition

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

c) Offsetting of financial instruments

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

d) Derivative financial instruments

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

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

s. Impairment of non-financial assets

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

t. Fair value measurement

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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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 recognised 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.

D. Significant accounting judgements, estimates and assumptions

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

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised 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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

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 standalone 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) Useful lives of depreciable/amortisable assets

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

(d) Fair value measurement of financial instruments

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



KAJARIA BATHWARE PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2023

liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) 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.

(f) Estimation of current tax and deferred tax

Management judgement is required for the calculation of provision of income- taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in these financial statements.

(g) Right-of-use assets and lease liability:

The Company has exercised judgement in determining the lease term as the no cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.



KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Note 4 : Intangible assets

	Softwares
Gross carrying amount :	
As at at 1 April 2021	29.68
Additions	8.06
As at 31 March 2022	37.74
Additions	-
As at 31 March 2023	37.74
Accumulated amortisation :	
As at at 1 April 2021	25.64
Amortisation charge for the year	1.41
As at 31 March 2022	27.05
Amortisation charge for the year	2.06
As at 31 March 2023	29.11
Net carrying amount :	
As at 31 March 2023	8.63
As at 31 March 2022	10.69



KAJARIA BATHWARE PRIVATE LIMITED
CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Non-Current	
31 March 2023	31 March 2022

Note 5 : Investments

Investments in equity shares (Unquoted)

In subsidiary company (measured at cost) - Trade

Kajaria Sanitaryware Private Limited 10,332,000 (March 31, 2022: 10,332,000) equity shares of Rs.10 each fully paid up)

Kerovit Global Private Limited 90,20,000 equity shares of Rs.10 each

Aggregate value of unquoted investments

FY 2022-23

Fresh investment made:

Kerovit Global Private Limited 90,20,000 equity shares of Rs.10 each

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

Note 6 : Loans #

Loans at amortised cost (Unsecured, Considered good)

Loan to related party *

Others

Non-Current		Current	
31 March 2023	31 March 2022	31 March 2023	31 March 2022
345.50	-	-	-
-	-	88.20	54.14
345.50	-	88.20	54.14

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
CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Note 7 : Non current tax assets (net)

	Non-Current	
	As at 31 March 2023	As at 31 March 2022
Advance income-tax (net of provision)	383.05	206.35
	383.05	206.35

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

	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Capital advances	-	79.06	-	-
Others	-	-	-	-
Advances to Contractors and Suppliers	-	-	115.00	95.89
Employees	-	-	0.50	-
Prepaid expenses	-	-	137.68	206.62
Balance with statutory authorities	-	-	-	3.33
	-	79.06	253.18	305.84



(Amount in Rupees lakhs, unless otherwise stated)

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

	As at 31 March 2023	As at 31 March 2022
Raw Materials	755.43	741.36
Work-in-Process	261.86	266.10
Finished Goods	1,535.57	1,197.37
Stock in Trade	1,679.59	2,213.01
Stores and Spares	120.84	96.32
Packing Materials	35.02	41.11
	4,388.31	4,555.27

(Inventories have been valued in accordance with accounting policy no. 2(ii)C (c) as referred in Note No.1&2).

Note 10 : Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, Considered Good	2,664.69	3,011.94
	2,664.69	3,011.94

Particulars	As at 31 March 2023					Total
	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed Trade Receivables Considered Good	2,626.54	37.39	-	-	0.76	2,664.69

Particulars	As at 31 March 2022					Total
	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed Trade Receivables Considered Good	2,996.20	8.34	-	3.01	4.39	3,011.94

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 2023	As at 31 March 2022
a) Balance with banks		
- In current accounts	59.02	3.52
b) Cash on hand	0.89	1.00
	59.91	4.52

Note :

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



Note 12 : Other financial assets

(Unsecured, Considered Good)

Security deposits
 Dues from related party *
 Others

Non-Current		Current	
As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
156.32	110.44		
-	-	31.22	-
-	-	8.08	7.11
156.32	110.44	39.30	7.11

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



(Amount in Rupees lakhs, unless otherwise stated)

31 March, 2023 31 March, 2022

Note 13 : Equity Share capital

a) Authorised

300,00,000 ('31 March 2022: 3,00,00,000) Equity shares of Rs. 10 each
 50,00,000 ('31 March 2022: 50,00,000) Preference shares of Rs. 10 each

3,000.00	3,000.00
500.00	500.00
3,500.00	3,500.00

b) Issued, subscribed and paid up

Equity shares
 2,50,00,000 ('31 March 2022: 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 2022: 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 ensuring annual general meeting. The holder of the share is entitled to voting rights proportionate 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 liabilities. 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.

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

Particulars	As at '31 March 2023		As at '31 March 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Kajaria Ceramics Limited*	25,00,000	100%	25,00,000	100%

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



(Amount in Rupees lakhs, unless otherwise stated)

- g) The Company has not issued any bonus shares or shares for a consideration other than cash immediately preceeding five years.
- 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 higher.
- i) **Details of the Shareholders holding more than 5% CCPS in the Company**

Particulars	As at '31 March 2023		As at '31 March 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
ARAVALLI INVESTMENT HOLDING, MAURITIUS	4,411,764	100%	4,411,764	100%



KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Note 14 : Other Equity

	As at 31 March 2023	As at 31 March 2022
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	(2586.12)	(3583.29)
Profit/(loss) for the year	869.74	1006.69
Items of Other Comprehensive Income for the year, net of tax	(17.45)	(9.52)
Balance at the end of the year	(1733.83)	(2586.12)
Total other equity	5774.99	4922.70

Nature and purpose of reserves -**a) Securities premium**

This reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

b) Retained earnings

The Retained earnings represents the undistributed surplus of the company earned from its business operations and includes other comprehensive income generated on remeasurement of defined benefit plan.



(Amount in Rupees lakhs, unless otherwise stated)

	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Note 15 : Borrowings				
Buyers credit facility (secured) (refer note A)				
From banks	-	-	376.37	958.36
Working capital facilities - (secured) (refer note B)				
From banks	-	-	-	64.34
Inter corporate loan - unsecured (refer note C)				
From related party	2,005.00	1,900.00	-	-
	<u>2,005.00</u>	<u>1,900.00</u>	<u>376.37</u>	<u>1,022.70</u>

TERMS OF BORROWINGS

A) BUYERS CREDIT

(i) 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.

B) WORKING CAPITAL

(ii) Secured against 1st charge on Inventories and Book debts of the Company, both present & future. Rate of Interest is MCLR + Spread. Present rate is 9.00% p.a.

(iii) Inter corporate loans represents amount borrowed from M/s Kajaria Ceramics Ltd - Holding Company. Bearing interest @ 7% p.a.

Other Notes:

(i) Buyers credit and working capital facility loans are further secured by guarantee of Holding Company M/s, Kajaria Ceramics Limited

(ii) The above loans have been utilised as per the purpose for these loans were sanctioned.

(iii) The property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

(iv) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Note 15A : Lease Liabilities

	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Lease Liabilities	362.30	512.11	144.92	144.92
	<u>362.30</u>	<u>512.11</u>	<u>144.92</u>	<u>144.92</u>

Note 16 : Provisions

	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (refer note 33)				
Gratuity	179.55	124.86	25.35	26.39
Accumulated leaves	85.71	66.45	13.53	17.85
	<u>265.29</u>	<u>191.31</u>	<u>38.91</u>	<u>44.25</u>

Note 17 : Trade Payables

	As at 31 March 2023	As at 31 March 2022
	Trade payables	
Total outstanding dues of micro and small enterprises	486.60	271.65
Total outstanding dues of creditors other than micro and small enterprises	1,287.33	882.68
	<u>1,775.93</u>	<u>1,154.33</u>

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

Particulars	As at 31 March 2023				
	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	486.60	-	-	-	486.60
(ii) Others	1,250.93	5.99	6.24	24.17	1,287.33

Particulars	As at 31 March 2022				
	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	271.65	-	-	-	271.65
(ii) Others	850.66	1.02	7.94	22.16	882.68

Note 18 : Other Financial Liabilities

	Current	
	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due	4.97	5.14
Creditors for capital goods	0.52	-
Interest bearing deposits from customers	271.25	248.75
Security Deposits Received	168.75	147.99
Employee Payable	709.97	749.52
Others	34.48	34.67
	<u>1,169.94</u>	<u>1,186.07</u>



KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Note 19 : Other Current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from Customers	106.55	93.45
Statutory Dues Payable	296.10	203.00
	402.65	296.45

Advance from Customers
Statutory Dues Payable



(Amount in Rupees lakhs, unless otherwise stated)

Note 20 : Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products - Faucet, Sanitaryware and other allied products	18,654.33	16,550.45
Other operating income:		
- Scrap sale	417.22	514.59
- Management fees	1,800.00	1,440.00
	20,871.55	18,505.04

Disclosure pursuant to Ind AS-115 'Revenue from contracts with customers', are as follows:

(a) Disaggregation of revenue:

Revenue arises mainly from the sale of manufactured and traded goods.

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from faucet, sanitaryware and other allied products	18,654.33	16,550.45
Other operating income:		
Sale of Scrap	417.22	514.59
Management fees	1,800.00	1,440.00
	20,871.55	18,505.04

Sale of products are net of discounts amounting to Rs.1150.20 lakhs ('31 March 2022: Rs. 741.66 lakhs)

(b) Assets and liabilities related to contracts with customers is as below:

	Year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities related to sale of goods		
Advance from customers	106.55	93.45
Security deposits from customers	271.25	248.75

(c) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 45 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

(d) Significant changes in contract assets and liabilities:

The change in contract liabilities (interest bearing deposit from customers and advances received from customer) during the year.

	Year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities (Advance from customers)		
Opening balance	93.45	46.47
Revenue recognised during the year	93.45	46.47
Addition during the year (net)	106.55	93.45
Closing balance	106.55	93.45



(Amount in Rupees lakhs, unless otherwise stated)

Note 21 : Other Income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on :		
- Loan to subsidiary	67.26	-
- Others	4.56	1.69
Net gain on foreign currency transaction and translation	-	18.11
Other income:		
- Sundry Balances Written Back	26.05	-
-Gain on Sale of Property Plant & Equipment	10.22	-
-Misc income	-	0.22
	<u>108.09</u>	<u>20.02</u>

Note 22 : Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Body Material	6,180.27	5,514.91
Packing Material	282.54	236.86
	<u>6,462.81</u>	<u>5,751.77</u>

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

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	1,197.37	746.93
Finished Goods	2,213.01	1,846.98
Stock In Trade	266.10	374.16
Work-in-Process	-	-
Total (A)	<u>3,676.48</u>	<u>2,968.07</u>
Closing stock	1,535.57	1,197.37
Finished Goods	1,679.59	2,213.01
Stock In Trade	261.86	266.10
Work-in-Process	-	-
Total (B)	<u>3,477.02</u>	<u>3,676.48</u>
(A - B)	<u>199.46</u>	<u>(708.41)</u>



(Amount in Rupees lakhs, unless otherwise stated)

Note 24 : Employee benefit expense

Salary, wages, bonus and allowance
Contribution to provident fund and other funds (Refer note
Staff Welfare expenses

Year ended 31 March 2023	Year ended 31 March 2022
4,091.19	3,529.44
180.18	137.40
67.79	65.81
4,339.16	3,732.65

Note 25 : Finance Costs

Interest on debts and borrowings
- on loan from bank
- on loan taken from holding company
Interest on Lease Liabilities
Other ancillary borrowings costs

Year ended 31 March 2023	Year ended 31 March 2022
81.92	64.77
160.99	134.40
57.79	42.16
16.10	19.23
316.80	260.56

Note 26 : Depreciation and amortization expense

Depreciation of property, plant and equipment (refer to note 3)
Amortisation of intangible assets (refer to note 4)
Depreciation on right to use assets

Year ended 31 March 2023	Year ended 31 March 2022
432.99	419.50
2.06	1.54
148.33	110.13
583.38	531.17

Note 27 : Other expenses

Power and Fuel
Stores Consumed
Repair and Maintenance
-Buildings
-Machinery
-Other
Payments to auditors (refer note 32)
-As Audit Fee
-For Other matters
Legal and Professional Expenses
Communication Expense
Rent Expenses
Advertisement and Sales Promotion Expenses *
Freight, Handling and Distribution Expenses
Rates and taxes
CSR Activity Expenses (refer note 41)
Printing and stationary
Insurance Expenses
Travelling and Conveyance Expense
Security Charges
- Sundry Balances Written off
Net Loss on foreign currency transaction and translation
Loss on sale of property plant and equipment
Vehicle Running and Maintenance Expenses
Miscellaneous Expenses

Year ended 31 March 2023	Year ended 31 March 2022
341.62	305.51
332.58	280.98
14.82	4.77
12.86	7.68
9.48	9.76
10.00	5.50
0.56	5.25
27.86	23.22
40.02	31.23
150.09	130.96
1,257.88	1,185.16
507.26	487.60
9.32	8.55
10.90	-
28.57	19.02
46.17	39.80
952.24	648.09
34.64	31.70
-	2.18
25.43	-
-	5.56
26.93	21.28
84.43	61.42
3,923.66	3,315.22

* Net of amount recovered from subsidiary company M/S. Kajaria Sanitaryware Private Limited Rs. 500 Lacs (Previous year Rs. 300 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:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit attributable to equity holders of the Company:		
Profit attributable to equity holders of the Company for basis earnings (Rs. In lakhs) for the year:	869.74	1,006.69
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	29411764
Earning Per Share		
Basic (Rs.)	3.48	4.03
Diluted (Rs.)	2.96	3.42
Face Value per equity share	10.00	10.00



KAJARIA BATHWARE PRIVATE LIMITED
CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Note 29

Asset pledged as security (refer note 15)

	<u>As at 31</u> <u>March 2023</u>	<u>As at 31</u> <u>March 2022</u>
Current		
Inventories	4,388.31	4,555.27
Trade receivables	2,664.69	3,011.94
Total current assets pledged as security	7,053.00	7,567.21

Note 30

Reporting to banks

The Company is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

Note 31

Capital and other commitments

	<u>As at 31</u> <u>March 2023</u>	<u>As at 31</u> <u>March 2022</u>
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for :	-	172.62

Note 32

Payments to auditors

	<u>As at 31</u> <u>March 2023</u>	<u>As at 31</u> <u>March 2022</u>
-As Audit Fee	10.00	5.50
-For Other matters	0.56	5.25
	10.56	10.75



Note - 33

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. 135.78 lacs (31 March 2022 : Rs.122.78 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 2023	31 March 2022
Defined benefit obligation at the beginning of the year	151.25	115.36
Current service cost	36.46	28.52
Interest cost	9.08	6.92
Benefits paid	(9.28)	(9.07)
Actuarial (gain)/ loss on obligations - OCI	17.45	9.52
Defined benefit obligation at the end of the year	204.96	151.25

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

	31 March 2023	31 March 2022
Fair value of plan assets	-	-
Defined benefit obligation	204.96	151.25
Amount recognised in the Balance Sheet	204.96	151.25
Current	25.38	26.39
Non current	179.58	124.86

Amount recognised in Statement of Profit and Loss:

	31 March 2023	31 March 2022
Current service cost	36.46	28.52
Net interest expense	9.08	6.92
Amount recognised in Statement of Profit and Loss	45.54	35.44

Amount recognised in Other Comprehensive Income:

	31 March 2023	31 March 2022
Actuarial (gain)/loss - obligation	17.45	9.52
Amount recognised in Other Comprehensive Income:	17.45	9.52

Breakup of actuarial gain/(loss):

	31 March 2023	31 March 2022
Actuarial (gain)/Loss from change in demographic assumption	-	-
Actuarial (gain)/Loss from change in financial assumption	4.29	-
Actuarial (gain)/Loss from experience adjustment	13.16	9.52
Total actuarial (gain)/loss	17.45	9.52

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

	31 March 2023	31 March 2022
Discount rate	7.50%	6.00%
Future salary increases	7.00%	5.00%
Attrition Rate / Withdrawal Rate	11.00%	20.00%
Retirement age	58 years	58 years
Limit (Rs. in lakhs)	20.00	20.00
Mortality	IALM 2012-14	IALM 2012-14



A quantitative sensitivity analysis for significant assumption as at '31 March 2023 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Assumptions				
Discount rate	1%	1%	(12.95)	(6.18)
	-1%	-1%	14.61	6.72
Future salary increases	1%	1%	14.54	6.72
	-1%	-1%	(13.12)	(6.30)
Withdrawal rate	1%	1%	(0.26)	(0.24)
	-1%	-1%	0.22	0.23

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 insignificant 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 2023	From 31 March 2022
Within next 12 months (next annual reporting period)	20.45	26.39
Between 1 and 5 years	37.06	47.99
Beyond 5 years	147.45	76.87
Total expected payments	204.96	151.25

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18 years ('31 March 2022: 19 years).

Expected contribution for next year is Rs. 43.18 lacs (31 March 2022 : Rs. 31.08 lacs)

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

Amounts recognised in the balance sheet

	From 31 March 2023	From 31 March 2022
	99.24	84.31



KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Note -34**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 below:

Particulars	Rs in Lakhs	
	March 31, 2023	March 31, 2022
(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	488.60	271.65
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.



KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees lakhs, unless otherwise stated)

Note -35

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.



Note - 36

A List of related parties

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

B List of Key Managerial Personnel (KMP)

Name	Designation
Mr. Rishi Kajaria	Managing Director
Mr. Ashok Kajaria	Director

C Transactions during the year:

	Year ended 31 March 2023	Year ended 31 March 2022
Kajaria Ceramics Limited		
Amount borrowed	800.00	-
Loan repaid	700.00	-
Purchase of goods (Net)	0.77	1.11
Rent Paid	65.76	90.85
Interest paid	160.99	134.40
Reimbursement of Expenses	118.38	57.25
Sales of goods	20.14	15.31
Kajaria Sanitaryware Private Limited		
Salary, wages, bonus and allowance (including management charges recovery)	1,800.00	1440.00
Advertisement, publicity and sales promotion (Recovery)	500.00	300.00
Reimbursement of Expenses (Paid)	19.19	19.09
Reimbursement of Expenses(Received)	13.78	0.09
Kerovit Global Private Limited		
Loan given	345.50	-
Interest received	67.26	-
Amount paid for Investment	900.00	-
Dua Engineering Private Limited		
Rent paid	11.57	11.57
Key Managerial Personnel		
Purchase of equity shares of Kerovit Global Private Limited		
Mr. Rishi Kajaria	1.00	-
Mr. Ashok Kajaria	1.00	-

D Balance outstanding at the end of the year

	Year ended 31 March 2023	Year ended 31 March 2022
Holding Company - Kajaria Ceramics Limited		
- Borrowings	2,000.00	1,900.00
Subsidiary Company - Kerovit Global Private Limited		
- Other Receivables	376.72	-



37. 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 2023 and 31 March 2022.

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 following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

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-23		
INR	+50	(14.29)
INR	-50	14.29
31-Mar-22		
INR	+50	(12.20)
INR	-50	12.20

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 sensitivity 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-23	+5%	(20.25)
	-5%	20.25
31-Mar-22	+5%	(41.73)
	-5%	41.73



	Change in EURO rate	Effect on loss before tax INR in Lacs
31-Mar-23	+5%	(16.46)
	-5%	16.46
31-Mar-22	+5%	(7.31)
	-5%	7.31

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Company does not have any significant concentrations of bad debt risk.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 39. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

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

	(Rs. In Lacs)				
	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended					
31-Mar-23					
Borrowings	296.98	79.39	2,000.00	-	2,376.37
Lease Liabilities	36.23	108.69	362.30	-	507.22
Trade payables	1,775.93	-	-	-	1,775.93
Other financial liabilities	1,189.94	-	-	-	1,189.94
	3,299.08	188.08	2,362.30	-	5,849.46
Year ended					
31-Mar-22					
Borrowings	635.39	387.31	1,900.00	-	2,922.70
Lease Liabilities	36.23	108.69	512.11	-	657.03
Trade payables	1,154.33	-	-	-	1,154.33
Other financial liabilities	1,186.07	0.00	-	-	1,186.07
	3,012.02	496.00	2,412.11	-	5,920.13

IV. Excessive risk concentration

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

The Company's marketing facilities are situated in different geographies. Similarly the distribution network is spread PAN India.



Kajaria Bathware Private Limited
 CIN - U26943DL2013PTC252495
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED '31 March 2023
 (Amount in Rupees Lakh, unless otherwise stated)

Note: 38
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 2023.

	At 31 March 2023	At 31 March 2022
Borrowings	2,376.37	2,922.70
Net debts A	2,376.37	2,922.70
Total Equity B	8,716.17	7,863.88
Gearing ratio (A/B)	0.27	0.37



39 Category wise classification of financial instruments

	31 March 2023			31 March 2022		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets						
Non-current						
(i) Loans	-	-	345.50	-	-	-
(ii) Other financial assets	-	-	156.32	-	-	110.44
Current						
(i) Trade receivables	-	-	2,664.69	-	-	3,011.94
(ii) Cash and cash equivalents	-	-	59.91	-	-	4.52
(iii) Bank balances other than (ii) above	-	-	-	-	-	-
(iv) Loans	-	-	88.20	-	-	54.14
(v) Other financial assets	-	-	39.30	-	-	7.11
Total financial assets	-	-	3,353.92	-	-	3,188.15
Excludes non-current investment measured at cost Rs. 2025.92 lacs (Previous year Rs. 1123.92 lacs)						
Financial liabilities						
Non-current						
(i) Borrowings	-	-	2,000.00	-	-	1,900.00
(ii) Lease liabilities	-	-	362.30	-	-	512.11
Current						
(i) Borrowings	-	-	376.37	-	-	1,022.70
(ii) Trade payables	-	-	1,775.93	-	-	1,154.33
(iii) Lease liabilities	-	-	144.92	-	-	144.92
(iv) Other financial liabilities	-	-	1,189.94	-	-	1,186.07
Total financial liabilities	-	-	5,849.46	-	-	5,920.13

The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

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

- The fair value of the Company's interest bearings borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates using rates currently applicable for debt on similar terms, credit risk and remaining maturities.



Note: 40 Leases

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

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	7	1 to 7 years	4.5 years
(previous year)	7	1 to 7 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:

Particulars	(Rs. in Lakhs)	
	Category of right-of-use assets	
	Buildings	Total
Balance as at 1 April 2021	254.57	254.57
Addition	450.55	450.55
Disposals	-	-
Depreciation	110.13	110.13
As at 31 March 2022	594.99	594.99
Addition	-	-
Disposals	-	-
Depreciation	148.31	148.31
As at 31 March 2023	446.68	446.68

- c) Lease payments not recognised as lease liabilities:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expenses relating to short term leases (included in other expenses)	150.09	130.96
Total	150.09	130.96

- d) The total cash outflow for finance leases for the year ended 31 March 2023 is Rs. 207.60 lacs (31 March 2022 : 121.80 Lacs)

- e) Future minimum lease payments as on 31 March 2023 are as follows:

Minimum lease payments due	As on 31 March 2023		
	Lease payments	Finance charges	Net present values
Within 1 year	192.50	47.58	144.92
1 - 2 years	273.31	30.75	242.56
2 - 3 years	121.19	11.50	109.69
More than 3 years	12.10	2.05	10.05
Total	599.10	91.87	507.22

Minimum lease payments due	As on 31 March 2022		
	Lease payments	Finance charges	Net present values
Within 1 year	199.79	54.87	144.92
1 - 2 years	209.52	41.73	167.79
2 - 3 years	219.38	26.27	193.11
More than 3 years	166.50	15.29	151.21
Total	795.19	138.15	657.03



Kajaria Bathware Private Limited

CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

(Amount in Rupees Lakh, unless otherwise stated)

Note 41

Corporate social responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial year on corporate social responsibility(CSR) activities. The CSR committee has been formed by the company as per the Act and the company has spent amount on corporate social responsibility expenses as below:

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Construction/acquisition of any asset		
Paid in cash	-	-
Other than cash	-	-
(ii) On purposes other than (i) above		
Paid in cash	8.00	-
Other than cash	2.90	-
	<u>10.90</u>	<u>-</u>



Kajaria Bathware Private Limited
 CIN - U26943DL2013PTC252495
 Notes to financial statement for the year ended 31 March 2023

Note: 42 Ratios

S. No.	Ratio	Numerator	Denominator	31-03-2023	31-03-2022	% change	Reason for variance
I.	Current Ratio	Current Assets	Current Liabilities	1.91	2.06	-7%	
II.	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.27	0.37	-27%	Due to increase in profits and decrease in working capital requirement during the current year
III.	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	6.98	8.75	-20%	
IV.	Return on Equity Ratio	Net Profit after tax-Preference Dividend	Average Shareholders' Equity	0.10	0.14	-29%	Due to decrease in profit in current year
V.	Inventory Turnover Ratio	Sales	Average Inventory	4.17	3.91	7%	
VI.	Trade Receivable Turnover Ratio	Sales	Average Accounts receivables	6.57	5.64	16%	
VII.	Trade Payable Turnover Ratio	Net credit Purchases	Average Trade payables	10.01	11.66	-14%	
VIII.	Net Capital Turnover Ratio	Net Sales	Working Capital	4.87	4.44	10%	
IX.	Net Profit Ratio	Net Profit after tax-Preference Dividend	Net Sales	0.05	0.06	-17%	
X.	Return on Capital Employed	EBIT	Capital Employed	0.11	0.12	-8%	
XI.	Return on Investment		Not Applicable	NA	NA		



Kajaria Bathware Private Limited

CIN - U26943DL2013PTC252495

Notes to financial statement for the year ended 31 March 2023

Note 43 Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Details of Benami property:

No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium:

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year

(vi) Valuation of PP&E, intangible asset and investment property:

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(viii) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority



Kajaria Bathware Private Limited
CIN - U26943DL2013PTC252495
Notes to financial statement for the year ended 31 March 2023
(Amount in Rupees Lakh, unless otherwise stated)

Note 44

Foreign currency exposure not hedged by derivative instrument or otherwise:

Particulars	Currency	31-03-2023 (in Lakhs)		31-03-2022 (in Lakhs)	
		Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
Payables					
For Goods and Services	EURO	0.26	23.39	0.26	22.16
	USD	4.05	334.49		
Buyers' Credit	EURO	3.37	306.03	1.44	123.83
	USD	0.85	70.34	10.91	834.53

As per our report of even date attached
For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. : 001076N/N500013


Nalin Jain
Partner
M.No. 503948



Date: 12 May 2023
Place: New Delhi

For and on behalf of the board of directors
of Kajaria Bathware Private Limited


Rishi Kajaria
Managing Director
DIN 228455


Ashok Kajaria
Director
DIN 273877


Dilip Kumar Maliwal
Chief Financial Officer


Saurav Chakraborty
Company Secretary
(ACS: A-52813)

