

## 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 2024, 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 standalone financial statements, including material accounting policy information 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 2024, 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 comprises the information included in the Director's report, but does not include in 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.

## **Independent Auditor's Report to the members of Kajaria Bathware Private Limited on the Standalone financial statements for the year ended 31 March 2024 (Cont'd)**

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.

### **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 standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is 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(1D) 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;



# 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 2024 (Cont'd)

- 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 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.

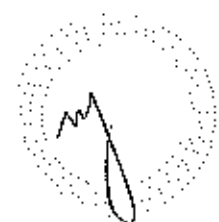
### Report on Other Legal and Regulatory Requirements

11. 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.
12. 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.
13. 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 except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - 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 2024 from being appointed as a director in terms of section 164(2) of the Act;



## Independent Auditor's Report to the members of Kajaria Bathware Private Limited on the Standalone financial statements for the year ended 31 March 2024 (Cont'd)

- f) The modification relating to the maintenance of accounts and other matters connected therewith is as stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in note 31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
  - 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 2024;
  - 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 2024;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(ii) (A) 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 persons 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) (B) 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 2024; and

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# 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 2024 (Cont'd)

- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 01 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software SAP S/4 HANA to log any direct data changes, as described in note 47 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

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

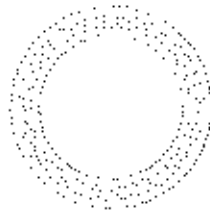


**Nalin Jain**

Partner

Membership No.: 503498

UDIN: 24503498BKFQAR9806



**Place:** New Delhi

**Date:** 06 May 2024

# 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 2024

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 relevant details of 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 relevant details of 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 standalone 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 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) The Company has not made investments in, provided any guarantee or security or granted any advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has granted unsecured loans to other parties (employees) during the year, in respect of which:
- (a) The Company has provided loans to Others (employees) during the year as per details given below:

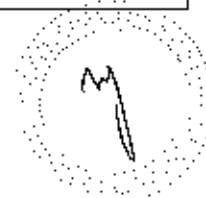
Particulars	Loans (Amount in Rs. lakhs)
Aggregate amount granted during the year:	
- Others (employees)	124.48
Balance outstanding as at balance sheet date in respect of above cases:	
- Others (employees)	101.22

# Walker Chandniok & 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 2024 (Cont'd)**

- (b) In our opinion, and according to the information and explanations given to us, the 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 has been stipulated and the repayments/receipts of principal are regular. Further, no interest is receivable on such loans.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) The Company has not granted any loans, which are 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 section 186 of the Act in respect of loans and investments made. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security provided by it.
- (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 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 in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (Rs. in lakhs)	Amount paid under Protest (Rs. in lakhs)	Period which amount relates to	Forum where dispute is pending
Goods & Service Tax Laws	Goods and Service Tax-Rajasthan	21.61	-	FY 2018 - 2019	Deputy Commissioner, Commercial Taxes Department, Jaipur



# 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 2024 (Cont'd)**

- (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.
- (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) 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, 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 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 standalone 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.

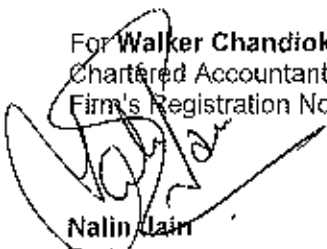


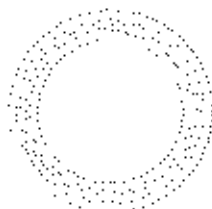
# Walker Chandiook & Co LLP

**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 2024 (Cont'd)**

- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (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.
- (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 no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (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 in 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: 24503498BKFAQAR9806



**Place:** New Delhi  
**Date:** 06 May 2024

## Annexure II

### **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 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

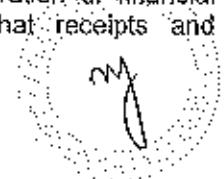
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statement criteria established by the Company considering the essential component of internal control stated 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 Standalone 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 the standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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



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## 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 2024 (Cont'd)

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

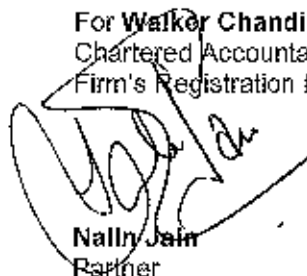
### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to standalone 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 Chandniok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Nally Jain**  
Partner

Membership No.: 503498  
UDIN: 24503498BKFQAR9806



**Place:** New Delhi  
**Date:** 06 May 2024

(Amount in Rupees lakhs, unless otherwise stated)

Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	3 4,408.40	4,411.48
(b) Right of use assets	498.55	448.68
(c) Capital work in progress	3 91.73	1.33
(d) Intangible assets	4 8.58	8.63
(e) Financial assets:		
(i) Investments	5 2,025.92	2,025.92
(ii) Other financial assets	12 148.59	158.32
(iii) Loans	6 -	345.50
(f) Non-current tax assets (net)	7 228.72	303.05
(g) Deferred Tax assets (net)	8A 304.28	-
(h) Other non-current assets	8 0.71	-
<b>Total non-current assets</b>	<b>7,776.48</b>	<b>7,778.89</b>
<b>Current assets</b>		
(a) Inventories	9 4,666.95	4,388.31
(b) Financial assets		
(i) Trade receivables	10 2,086.58	2,664.09
(ii) Cash and cash equivalents	11 73.23	69.91
(iii) Loans	6 138.28	68.20
(iv) Other financial assets	12 268.19	39.30
(c) Other current assets	8 158.46	253.18
<b>Total current assets</b>	<b>8,290.67</b>	<b>7,493.59</b>
<b>Total assets</b>	<b>16,066.15</b>	<b>15,272.48</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(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 6,740.50	5,774.99
<b>Total equity</b>	<b>9,681.76</b>	<b>8,716.17</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	15 800.00	2,000.00
(ii) Lease liabilities	15A 367.06	362.30
(b) Provisions	16 230.85	265.29
<b>Total non-current liabilities</b>	<b>1,398.71</b>	<b>2,627.59</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	16 865.32	376.37
(ii) Lease liabilities	15A 193.27	144.92
(iii) Trade payables	17 -	-
- Total outstanding dues of micro and small enterprises; and	852.90	486.80
- Total outstanding dues of creditors other than micro and small enterprises	915.49	1,287.33
(iv) Other financial liabilities	18 1,494.97	1,189.94
(b) Other current liabilities	19 451.02	402.65
(c) Provisions	16 152.71	88.01
<b>Total current liabilities</b>	<b>4,925.68</b>	<b>3,928.72</b>
<b>Total equity and liabilities</b>	<b>16,066.15</b>	<b>15,272.48</b>

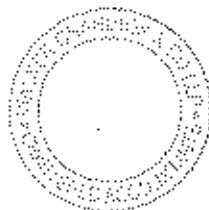
Summary of material accounting policies and other explanatory information

1 - 48

As per our report of even date attached  
 For Walker Chandlok & Co LLP  
 Chartered Accountants  
 Firm Registration No. : 00107BN/NS00013

Maitra Jain  
 Partner  
 Membership No. 503488

Date: 06 May 2024  
 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 - U26943DL2013PTC252496

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

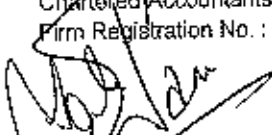
(Amount in Rupees lakhs, unless otherwise stated)

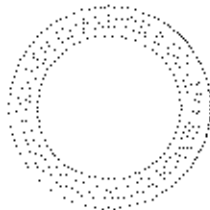
	Notes	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>I INCOME</b>			
Revenue from operations	20	24,162.43	20,871.55
Other income	21	83.03	108.09
<b>TOTAL INCOME (I)</b>		<b>24,245.46</b>	<b>20,979.64</b>
<b>II EXPENSES</b>			
Cost of materials consumed	22	7,060.91	6,462.81
Purchase of stock-in-trade		6,139.49	4,284.63
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(264.91)	199.46
Employee benefits expense	24	4,919.80	4,339.16
Finance costs	25	321.81	316.80
Depreciation and amortisation expenses	26	659.24	583.38
Other expenses	27	4,756.42	3,923.66
<b>Total expenses (II)</b>		<b>23,572.76</b>	<b>20,109.90</b>
<b>III Profit before tax (I-II)</b>		<b>672.70</b>	<b>869.74</b>
<b>IV Tax expense:</b>			
Deferred tax		(301.41)	-
<b>V Profit for the year (III - IV)</b>		<b>974.11</b>	<b>869.74</b>
<b>VI Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified to profit and loss			
-Remeasurements of defined benefit plans		(11.39)	(17.45)
Income tax relating to Items that will not be classified to profit and loss		(2.87)	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>(8.52)</b>	<b>(17.45)</b>
<b>VII Total comprehensive income for the year (comprising profit and other comprehensive income for the year) (V+ VI)</b>		<b>965.59</b>	<b>852.29</b>
<b>VIII Earnings per equity share (face value of Rs. 10 each)</b>	28		
(1) Basic (in Rs.)		3.90	3.48
(2) Diluted (in Rs.)		3.31	2.96

Summary of material accounting policies and other explanatory information

1 - 48

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

  
**Nalin Jain**  
 Partner  
 Membership No. 503498




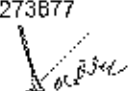
Date: 06 May 2024  
 Place: New Delhi

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 Mallwal**  
 Chief Financial Officer

  
**Saurav Chakraborty**  
 Company Secretary  
 (ACS: A-52813)



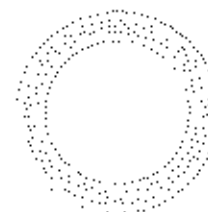
## KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

(Amount in Rupees lakhs, unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	672.70	669.74
Adjusted for :		
Depreciation and amortisation expense	659.24	583.38
Interest Income	(20.97)	(71.82)
Sundry balances written back	(29.71)	-
Finance costs	321.81	316.80
Gain on sale of property, plant and equipment	(1.61)	(10.22)
Items of other comprehensive income	(11.39)	(17.45)
	<b>917.37</b>	<b>800.69</b>
Operating profit before working capital changes	<b>1,590.07</b>	<b>1,670.43</b>
Working capital adjustments :		
Trade and other receivables	(504.57)	287.78
Inventories	(278.64)	166.96
Trade payable	22.17	621.60
Other financial liabilities	262.78	3.50
Other current liabilities	48.37	106.20
Provisions	79.36	68.64
	<b>(350.63)</b>	<b>1,254.66</b>
Cash generated from operations	<b>1,239.54</b>	<b>2,925.11</b>
Net Income taxes refund/(paid)	156.33	(176.70)
Net cash flow generated from operating activities (A)	<b>1,395.87</b>	<b>2,748.41</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment (including capital work in progress, intangible assets and capital creditors)	(535.52)	(541.33)
Proceeds from disposal of property plant and equipment	10.07	37.10
Loan given	-	(1,230.50)
Loan received back	345.50	894.00
Investment in subsidiary	-	(902.00)
Interest received	20.97	71.82
Net cash used in investing activities (B)	<b>(158.98)</b>	<b>(1,679.91)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of non-current borrowings	(1,200.00)	(700.00)
Proceeds of non-current borrowings	-	800.00
Interest Paid	(263.17)	(259.18)
Payment of lease liabilities	(249.35)	(207.60)
Proceeds/(repayment) of short-term borrowings (net)	486.95	(646.33)
Net cash used in financing activities (C)	<b>(1,223.57)</b>	<b>(1,013.11)</b>
Net increase in cash and cash equivalents (A+B+C)	<b>13.32</b>	<b>55.39</b>
Opening balance of cash and cash equivalents as at the beginning of the year	59.91	4.52
Closing balance of cash and cash equivalents as at the end of the year	<b>73.23</b>	<b>59.91</b>
Non-cash financing and investing activities		
- Acquisition of right of use assets	252.92	-



**KAJARIA BATHWARE PRIVATE LIMITED**  
**CIN - U26943DL2013PTC252495**  
**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024**

*(Amount in Rupees lakhs, unless otherwise stated)*

**Notes to cash flow statement**

Components of cash and cash equivalents are as below:

	Year ended 31 March 2024	Year ended 31 March 2023
Balances with banks	72.79	59.02
- Current accounts	0.44	0.89
Cash on hand	73.23	59.91
<b>Cash and cash equivalents considered in the cash flow statement</b>	<b>73.23</b>	<b>59.91</b>

**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 2024	Year ended 31 March 2023
Current borrowings	865.32	376.37
Lease liabilities	581.13	507.22
Non-current borrowings	800.00	2,000.00
<b>Net debt</b>	<b>2,226.45</b>	<b>2,883.59</b>

**Net debt as at 1 April 2022**

Add : Lease liabilities on leases entered during the year

Interest expenses on lease liabilities

Cash flows (net)

**Net debt as at 31 March 2023**

Add : Lease liabilities on leases entered during the year

Interest expenses on lease liabilities

Cash flows (net)


**Net debt as at 31 March 2024**

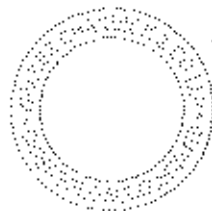
	Current borrowings	Lease liabilities	Non-current borrowings
Net debt as at 1 April 2022	1,022.70	657.03	1,900.00
Add : Lease liabilities on leases entered during the year	-	57.79	-
Interest expenses on lease liabilities	(646.33)	(207.60)	100.00
<b>Net debt as at 31 March 2023</b>	<b>376.37</b>	<b>507.22</b>	<b>2,000.00</b>
Add : Lease liabilities on leases entered during the year	-	252.92	-
Interest expenses on lease liabilities	-	50.34	-
Cash flows (net)	488.95	(249.35)	(1,200.00)
<b>Net debt as at 31 March 2024</b>	<b>865.32</b>	<b>581.13</b>	<b>800.00</b>

Summary of material accounting policies and other explanatory information

1 - 48

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


  
**Nalin Jain**  
 Partner  
 Membership No. 503498




Date: 06 May 2024  
 Place: New Delhi

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

  
**Rishi Kajarla**  
 Managing Director  
 DIN 228455

  
**Ashok Kajarla**  
 Director  
 DIN 273877

  
**Dilip Kumar Maliwal**  
 Chief Financial Officer

  
**Saurav Chakraborty**  
 Company Secretary  
 (ACS: A-52813)



a Equity share capital

	As at 31 March 2024	As at 31 March 2023
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 2024	As at 31 March 2023
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)

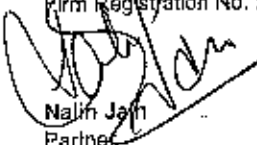
	Reserves and Surplus		Total equity
	Securities premium reserve	Retained earnings	
Balance as at 1 April 2022	7,508.82	(2,586.12)	4,922.70
Profit for the year	-	869.74	869.74
Items of OCI for the year			
Re-measurement of defined benefit plans	-	(37.45)	(17.45)
Balance as at 31 March 2023	7,508.82	(1,733.83)	5,774.99
Profit for the year	-	974.11	974.11
Re-measurement of defined benefit plans	-	(8.52)	(8.52)
Balance as at 31 March 2024	7,508.82	(768.24)	6,740.58

Summary of material accounting policies and other explanatory information


1 - 48

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

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

  
 Nalin Jain  
 Partner  
 Membership No. 503498

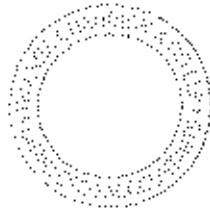
  
 Rishi Kajarla  
 Managing Director  
 DIN 228455

  
 Ashok Kajarla  
 Director  
 DIN 273877

  
 Dilip Kumar Maliwal  
 Chief Financial Officer

  
 Saurav Chakraborty  
 Company Secretary  
 (ACS: A-52813)

Date: 06 May 2024  
 Place: New Delhi





## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

### **1(a) Corporate information**

KAJARIA BATHWARE PRIVATE LIMITED ("KEPL" or "the Company") is a private limited company domiciled in India and was incorporated on 22<sup>nd</sup> 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 2024 were authorised in accordance with a resolution of Board of Directors on 6th May 2024.

### **1(b) 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

## **2 Material accounting policies and other explanatory information**

### **A. Basis of preparation of financial statements:**

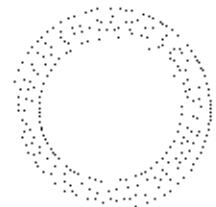
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and guidelines issued by the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



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

### **B. Overall considerations**

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

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

### **C. Material 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.

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.

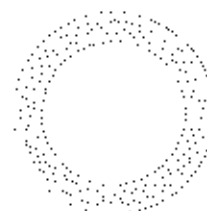
#### Interest income and dividend:

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.



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

### **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 not 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.

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.

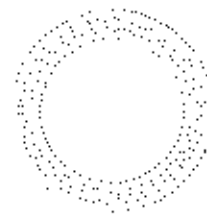
Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

#### 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



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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:

<b>Particulars</b>	<b>Useful lives</b>
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.

## **c. 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.

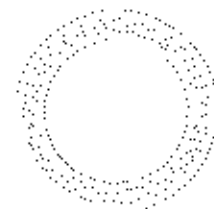
Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life.

### **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.



## **KAJARIA BATHWARE PRIVATE LIMITED**

**Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024**

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:**

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**

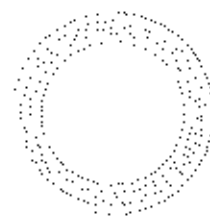
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

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



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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.

#### **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.

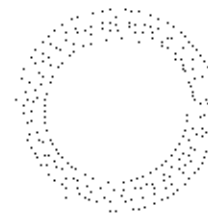
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,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



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

### 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:

#### 1. 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.

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:

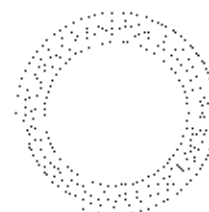
Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect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

#### **1. 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.

#### **III. Leases**

##### **The Company as a lessee**



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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.

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.

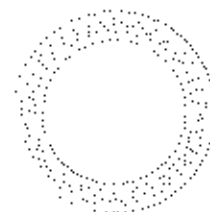
When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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**





## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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.

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**

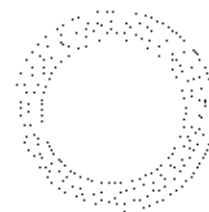
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **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**



## **KAJARIA BATHWARE PRIVATE LIMITED**

**Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024**

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 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.

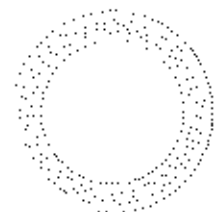
## **b) Financial liabilities**

### **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



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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 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**

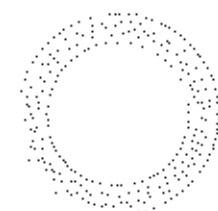
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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.

#### **e) 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.



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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.

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:

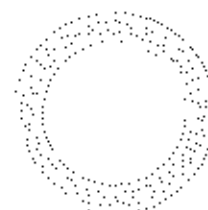
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest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



## **KAJARIA BATHIWARE PRIVATE LIMITED**

### **Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024**

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**

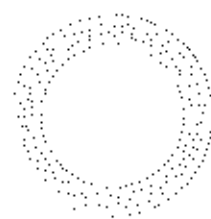
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions 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**



## **KAJARIA BATHWARE PRIVATE LIMITED**

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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 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**

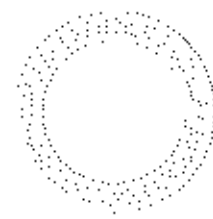
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as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



Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**Note 3 :**

**a. Property, plant and equipment**

	Freehold land	Building	Plant and machinery	Furniture and fixtures	Vehicles	Computers	Office equipments	Sales outlet	Total
<b>Gross carrying amount:</b>									
As 1 April 2022	175.25	1,677.23	3,313.25	26.84	365.21	32.63	66.05	716.27	6,375.73
Additions	-	18.10	463.09	1.57	84.42	6.62	9.16	110.84	683.90
Disposal	-	-	-	-	81.49	0.47	-	-	61.96
<b>As 31 March 2023</b>	<b>175.25</b>	<b>1,695.33</b>	<b>3,776.34</b>	<b>30.41</b>	<b>368.14</b>	<b>38.78</b>	<b>74.21</b>	<b>827.11</b>	<b>6,965.57</b>
Additions	-	116.48	128.62	0.54	136.77	5.48	6.39	59.26	457.54
Disposal	-	-	-	-	13.73	-	-	-	13.73
<b>As 31 March 2024</b>	<b>175.25</b>	<b>1,813.81</b>	<b>3,894.96</b>	<b>30.95</b>	<b>511.16</b>	<b>44.26</b>	<b>82.60</b>	<b>886.37</b>	<b>7,439.39</b>
<b>Accumulated depreciation:</b>									
As 1 April 2022	-	337.38	1,324.37	16.61	81.32	27.06	31.68	367.79	2,185.20
Depreciation for the year	-	53.57	226.22	2.94	43.56	3.47	7.32	95.92	452.89
Disposal	-	-	-	-	34.98	0.10	-	-	35.08
<b>As 31 March 2023</b>	<b>-</b>	<b>390.95</b>	<b>1,550.59</b>	<b>19.55</b>	<b>89.90</b>	<b>30.43</b>	<b>39.00</b>	<b>463.71</b>	<b>2,564.11</b>
Depreciation for the year	-	54.54	251.14	2.39	49.26	4.00	8.35	63.88	454.14
Disposal	-	-	-	-	5.27	-	-	-	5.27
<b>As 31 March 2024</b>	<b>-</b>	<b>445.49</b>	<b>1,801.73</b>	<b>22.54</b>	<b>133.89</b>	<b>34.43</b>	<b>47.33</b>	<b>547.59</b>	<b>3,032.96</b>
<b>Net carrying amount:</b>									
31 March 2024	175.25	1,368.32	2,093.23	8.41	377.29	9.83	35.27	338.78	4,406.40
31 March 2023	175.25	1,304.38	2,215.75	10.86	296.24	8.35	35.21	363.40	4,411.48

Notes:

**I. Contractual obligations**

Refer to note 31 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

**II. Title deeds**

Title deeds of all the immovable property 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) are in the name of the Company.

**III. Capital work in progress (CWIP)**

(As at 31 Mar 2024)

CWIP	Amount of CWIP for a Period of				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
i. Buildings	56.19	-	-	-	56.19
ii. Sales Outlet	35.54	-	-	-	35.54
<b>Total</b>	<b>91.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91.73</b>

(As at 31 Mar 2023)

CWIP	Amount of CWIP for a Period of				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
i. Plant and Equipment	1.33	-	-	-	1.33
ii. Buildings	-	-	-	-	-
<b>Total</b>	<b>1.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.33</b>

There are no such project under capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2024 and 31 March 2023.



KAJARIA BATHWARE PRIVATE LIMITED

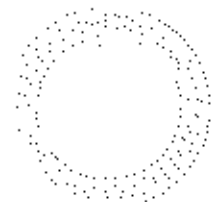
CIN - U26943DL2013PTC252495

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

Note 4 : Intangible assets

	Softwares
<b>Gross carrying amount :</b>	
As at at 1 April 2022	37.74
Additions	-
<b>As at 31 March 2023</b>	<b>37.74</b>
Additions	-
<b>As at 31 March 2024</b>	<b>37.74</b>
<b>Accumulated amortisation :</b>	
As at at 1 April 2022	27.05
Amortisation charge for the year	2.06
<b>As at 31 March 2023</b>	<b>29.11</b>
Amortisation charge for the year	2.05
<b>As at 31 March 2024</b>	<b>31.16</b>
<b>Net carrying amount :</b>	
As at 31 March 2024	6.58
As at 31 March 2023	8.63





**KAJARIA BATHWARE PRIVATE LIMITED**  
**CIN - U26943DL2013PTC252495**

**Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024**

**(Amount in Rupees lakhs, unless otherwise stated)**

	<b>Non-Current</b>
	<b>31 March 2024      31 March 2023</b>

**Note 5 : Investments**

**Investments in equity shares (Unquoted)**

**-In subsidiary company (measured at cost)**

Kajaria Sanitaryware Private Limited

10,332,000 (March 31, 2023: 10,332,000) equity shares of Rs.10 each fully paid up

1,123.92      1,123.92

Kerovit Global Private Limited

90,20,000 (March 31, 2023: 90,20,000) equity shares of Rs.10 each fully paid up

902.00      902.00

2,025.92      2,025.92

2,025.92      2,025.92

**Aggregate value of unquoted investments**

**Aggregate amount of impairment in value of investments**

**Note 6 : Loans #**

	<b>Non-Current</b>	<b>Current</b>
	<b>31 March 2024      31 March 2023</b>	<b>31 March 2024      31 March 2023</b>

**Loans at amortised cost (Unsecured, Considered good)**

Loan to related party

345.50

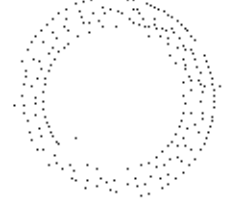
Others

136.26

345.50      136.26

345.50      136.26

# 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



Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024  
(Amount in Rupees lakhs, unless otherwise stated)

**Note 7 : Non current tax assets (net)**

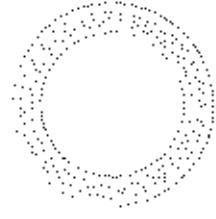
	Non-Current	
	As at 31 March 2024	As at 31 March 2023
Advance income-tax (net of provision)	226.72	383.05
	<b>226.72</b>	<b>383.05</b>

Advance income-tax (net of provision)

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

	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Capital advances	1.53	-	-	-
Others	-	-	109.54	115.00
Advances to Contractors and Suppliers	-	-	3.09	0.50
Employees	7.18	-	45.83	137.68
Prepaid expenses	<b>8.71</b>	-	<b>158.46</b>	<b>253.18</b>

Capital advances  
Others  
Advances to Contractors and Suppliers  
Employees  
Prepaid expenses



Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

Note 8A : Deferred tax Assets

Deferred tax liabilities on :

Temporary Difference between book balance and tax balance of property, plant and equipment

	As at 31 March 2024	As at 31 March 2023
	232.42	-
	382.01	-
	144.69	-
	536.70	-
	<b>304.28</b>	-

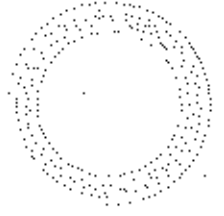
Deferred tax assets on :

Unabsorbed depreciation and Business losses  
Other

Deferred tax Assets (net)

Movement in deferred tax assets

	Property, plant and equipments	Unabsorbed depreciation and Business losses	Others	Total
As at 1 April 2022	-	-	-	-
Charged/(credited) to the statement of Profit or Loss	-	-	-	-
Charged/(credited) to other comprehensive income	-	-	-	-
As at 31 March 2023	-	-	-	-
Charged/(credited) to the statement of Profit or Loss	232.42	(392.01)	(147.56)	(307.15)
Charged/(credited) to other comprehensive income	-	-	2.87	2.87
As at 31 March 2024	232.42	(392.01)	(144.69)	(304.28)



**KAJARIA BATHWARE PRIVATE LIMITED**

CIN - U26943DL2013PTC262485

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

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

	As at 31 March 2024	As at 31 March 2023
Raw materials	724.24	755.43
Work-in-progress	280.80	281.88
Finished goods	1,461.60	1,535.57
Stock in trade	2,039.45	1,679.59
Stores and spares	145.97	120.84
Packing materials	34.51	95.02
	<u>4,656.95</u>	<u>4,389.31</u>

(Inventories have been valued in accordance with accounting policy no. 20 (c) as referred in Note No.152)

**Note 10 : Trade receivables**

	As at 31 March 2024	As at 31 March 2023
Unsecured, Considered Good	<u>2,988.68</u>	<u>2,604.69</u>
	<u>2,988.68</u>	<u>2,661.69</u>

Particulars	As at 31 March, 2024					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	2,817.66	61.90	6.72	-	-	2,886.58

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	2,628.54	37.39	-	-	0.76	2,666.69

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 2024	As at 31 March 2023
a) Balance with banks	72.79	59.02
- In current accounts	0.44	0.80
b) Cash on hand	<u>73.23</u>	<u>59.81</u>

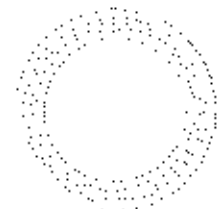
**Note :**

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)	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
	Security deposits	148.69	156.32	17.87
Dues from related party *	-	-	243.20	31.22
Others	-	-	8.02	8.00
	<u>148.69</u>	<u>156.32</u>	<u>269.19</u>	<u>39.30</u>

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



Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024  
(Amount in Rupees lakhs, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
--	------------------------	------------------------

Note 13 : Equity Share capital

a) Authorised

300,00,000 (31 March 2023: 3,00,00,000) Equity shares of Rs. 10 each	3,000.00	3,000.00
50,00,000 (31 March 2023: 50,00,000) Preference shares of Rs. 10 each	500.00	500.00
	<b>3,500.00</b>	<b>3,500.00</b>

b) Issued, subscribed and paid up

Equity shares		
2,50,00,000 (31 March 2023: 2,50,00,000) Equity Shares shares of Rs. 10 each	2,500.00	2,500.00
Preference shares		
44,11,764 (31 March 2023: 44,11,764 Shares ) Compulsorily Convertible Preference shares of Rs. 10 each	441.18	441.18
	<b>441.18</b>	<b>441.18</b>

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

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

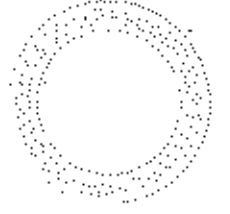
The Company has only one class of equity shares having face value of Rs. 10/- per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting. The holder of the share is 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

	As at '31 March 2024	As at '31 March 2023
Particulars	Number of shares held	% of holding
Kajaria Ceramics Limited*	25,000,000	100%
		25,000,000
		100%

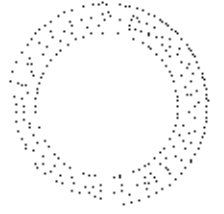
\* Including 100 shares held by Kajaria Ceramics Limited jointly with Mr. Ashok Kajaria, Director of the Company.



**Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024**  
 (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) The Company has not bought back pursuant to section 68, 69 and 70 of the Companies Act, 2013 immediately preceeding five years.
- i) 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 ₹ (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 2024		As at 31 March 2023	
	Number of shares held	% of holding	Number of shares held	% of holding
ARAVALI INVESTMENT HOLDING, MAURITIUS	4,411,764	100%	4,411,764	100%



**KAJARIA BATHWARE PRIVATE LIMITED**

CIN - U26943DL2013PTC252495

**Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024****(Amount in Rupees lakhs, unless otherwise stated)****Note 14 : Other Equity**

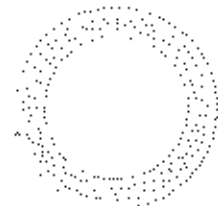
	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Reserves and Surplus</b>		
<b>Security premium reserve</b>		
Balance at the beginning/end of the year	<u>7,508.82</u>	<u>7,508.82</u>
<b>Retained earnings</b>		
Balance at the beginning of the year	(1733.83)	(2586.12)
Profit/(loss) for the year	974.11	869.74
Items of Other Comprehensive Income for the year, net of tax	(8.52)	(17.45)
Balance at the end of the year	<u>(768.24)</u>	<u>(1733.83)</u>
<b>Total other equity</b>	<u>6740.58</u>	<u>5774.99</u>

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

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.



## KAJARIA BATHWARE PRIVATE LIMITED

CIN - U26943DL2013PTC252495

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Note 15 : Borrowings</b>				
Buyers credit facility (secured) (refer note A) From banks	-	-	865.32	376.37
Inter corporate loan - unsecured (refer note B) From related party	800.00	2,000.00	-	-
	<u>800.00</u>	<u>2,000.00</u>	<u>865.32</u>	<u>376.37</u>

## TERMS OF BORROWINGS

**A) BUYERS CREDIT**

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

B) Inter corporate loans represents amount borrowed from M/s Kajaria Ceramics Ltd - Holding Company. Bearing interest @ 8% p.a. No stipulation has been fixed for repayment of loans

**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 has been duly registered with Registrar of companies.

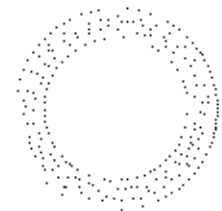
(iv) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

**Note 15A : Lease Liabilities**

	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Lease Liabilities</b>				
	367.86	362.30	193.27	144.92
	<u>367.86</u>	<u>362.30</u>	<u>193.27</u>	<u>144.92</u>

**Note 16 : Provisions**

	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits (refer note 33)</b>				
Gratuity	230.85	179.58	35.89	25.38
Compensated absences	-	85.71	116.82	13.53
	<u>230.85</u>	<u>265.29</u>	<u>152.71</u>	<u>38.91</u>





Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024  
(Amount in Rupees lakhs, unless otherwise stated)

**Note 17 : Trade Payables**

	As at 31 March 2024	As at 31 March 2023
<b>Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note 34)	852.90	488.60
Total outstanding dues of creditors other than micro and small enterprises	915.49	1,287.33
	<u>1768.39</u>	<u>1775.93</u>

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

Particulars	As at				
	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	852.90	-	-	-	852.90
(ii) Others	893.35	18.16	3.98	-	915.49

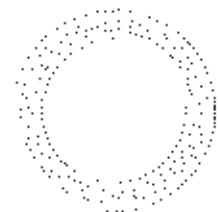
Particulars	As at				
	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	488.60	-	-	-	488.60
(ii) Others	1,250.93	5.99	6.24	24.17	1,287.33

**Note 18 : Other Financial Liabilities**

	Current	
	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	-	4.97
Creditors for capital goods	14.47	0.52
Interest bearing deposits from customers	418.55	271.25
Security deposits received	212.01	168.75
Employee payable	781.13	709.97
Others	67.54	34.48
	<u>1481.70</u>	<u>1189.94</u>

**Note 19 : Other current liabilities**

	As at 31 March 2024	As at 31 March 2023
Advance from customers	189.98	106.55
Statutory dues payable	281.04	296.10
	<u>471.02</u>	<u>402.65</u>



**KAJARIA BATHWARE PRIVATE LIMITED**

CIN - U28943DL2013PTC252495

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**Note 20 : Revenue from operations**

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products - Faucet, Sanitaryware and other allied products	21,901.97	18,654.33
Other operating income:		
- Scrap sale	480.46	417.22
- Management fees	1,800.00	1,800.00
	<b>24,162.43</b>	<b>20,871.55</b>

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 2024	Year ended 31 March 2023
Revenue from faucet, sanitaryware and other allied products	21,901.97	18,654.33
Other operating income:		
Sale of Scrap	480.46	417.22
Management fees	1,800.00	1,800.00
	<b>24,162.43</b>	<b>20,871.55</b>

Sale of products are net of discounts amounting to Rs. 1,614.85 lakhs ('31 March 2023: Rs. 1,150.20 lakhs)

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

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Contract liabilities related to sale of goods</b>		
Advance from customers	189.98	106.55
Security deposits from customers	416.55	271.25

**(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.

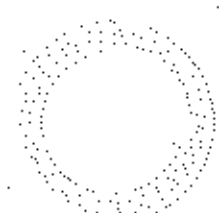
Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 45 days from the completion of performance obligation.

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 2024	Year ended 31 March 2023
<b>Contract liabilities (Advance from customers)</b>		
Opening balance	106.55	93.45
Revenue recognised during the year	106.55	93.45
Addition during the year (net)	189.98	106.55



**KAJARIA BATHWARE PRIVATE LIMITED**

CIN - U26943DL2013PTC252496

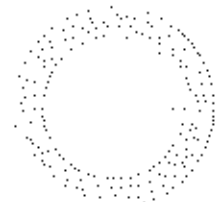
Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

Closing balance

189.98

106.55



**KAJARIA BATHWARE PRIVATE LIMITED**

CIN - U26943DL2013PTC252495

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**Note 21 : Other Income**

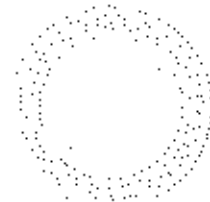
	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on :		
- Loan to subsidiary	0.89	67.26
- Others	20.08	4.56
Net gain on foreign currency transaction and translation	30.74	-
Other income:		
- Sundry balances written back	29.71	26.05
- Gain on disposal of property plant and equipment (net)	1.61	10.22
	<u>83.03</u>	<u>108.09</u>

**Note 22 : Cost of materials consumed**

	Year ended 31 March 2024	Year ended 31 March 2023
Body Material	6,758.97	6,180.27
Packing Material	301.94	282.54
<b>Total</b>	<u>7,060.91</u>	<u>6,462.81</u>

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

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock		
Finished Goods	1,535.57	1,197.37
Stock In Trade	1,679.59	2,213.01
Work-in-Progress	261.86	266.10
<b>Total (A)</b>	<u>3,477.02</u>	<u>3,676.48</u>
Closing stock		
Finished Goods	1,481.68	1,535.57
Stock In Trade	2,039.45	1,679.59
Work-in-Progress	260.80	261.86
<b>Total (B)</b>	<u>3,761.93</u>	<u>3,477.02</u>
<b>(A - B)</b>	<u>(284.91)</u>	<u>199.46</u>



**KAJARIA BATHWARE PRIVATE LIMITED**

CIN - U26043DL2013PTC252495

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**Note 24 : Employee benefit expense**

	Year ended 31 March 2024	Year ended 31 March 2023
Salary, wages, and bonus	4,841.44	4,091.19
Contribution to provident fund and other funds (refer note 33)	202.47	180.18
Staff welfare expenses	75.89	87.79
	<u>4,919.80</u>	<u>4,339.16</u>

**Note 25 : Finance costs**

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses		
- on loan from bank	90.88	81.92
- on loan taken from holding company	113.32	160.99
Interest on Lease Liabilities	50.34	57.79
Other borrowings costs	67.27	18.10
	<u>321.81</u>	<u>318.80</u>

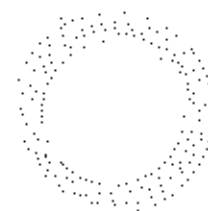
**Note 26 : Depreciation and amortization expense**

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment (refer to note 3)	454.14	432.99
Amortisation of intangible assets (refer to note 4)	2.05	2.06
Depreciation on right of use assets	203.05	148.33
	<u>659.24</u>	<u>583.38</u>

**Note 27 : Other expenses**

	Year ended 31 March 2024	Year ended 31 March 2023
Power and Fuel	363.30	341.62
Stores Consumed	333.23	332.58
Repair and Maintenance		
-Buildings	12.16	14.82
-Plant & machinery	20.03	12.86
-Other	13.03	9.48
Payments to auditors (refer note 32)	10.29	10.56
Legal and professional charges	33.02	27.66
Communication expenses	49.92	40.02
Rent Expenses	152.30	150.09
Advertisement and Sales Promotion Expenses *	1,897.55	1,257.68
Freight, Handling and Distribution Expenses	600.83	507.26
Rates and taxes	5.57	9.32
Corporate social responsibility activity	18.23	10.90
Printing and stationary	29.34	28.57
Insurance Expenses	73.93	46.17
Travelling and Conveyance Expense	1,191.81	952.24
Security Charges	35.88	34.84
Net Loss on foreign currency transaction and translation	-	25.43
Vehicle Running and Maintenance Expenses	27.67	26.93
Miscellaneous Expenses	66.33	84.43
	<u>4,756.42</u>	<u>3,923.66</u>

\* Net of amount recovered from subsidiary company M/S. Kajaria Sanitaryware Private Limited Rs. 800 Lacs (previous year Rs. 500 Lacs)



Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

Note 27A : Income tax expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(a) Income tax expense debited to statement of profit and loss</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
Total current tax expense	-	-
<b>Deferred tax</b>		
Deferred tax credit for the year	301.41	-
	<b>301.41</b>	-
<b>Total income tax expense</b>	<b>301.41</b>	-
<b>(b) Income tax expense charged/(credited) to other comprehensive income</b>		
<b>Current tax</b>		
Current tax credit for the year	2.87	-
	<b>2.87</b>	-

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	872.70	889.74
Tax at the Indian tax rate of 25.168% (31 March 2024 : 25.168%)	189.31	218.90
Expenses not allowed as deduction		-
Deferred tax assets not recognised	-	(218.90)
Deferred tax assets recognised for earlier period	132.10	-
	<b>301.41</b>	-



**KAJARIA BATHWARE PRIVATE LIMITED**

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**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.

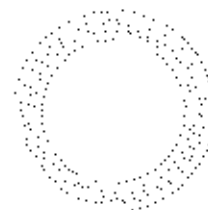
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity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

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

<b>Profit attributable to equity holders of the Company:</b>	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Profit attributable to equity holders of the Company for basic earnings for the year:	974.11	889.74
Weighted Average number of equity shares in calculating basic earnings per share (Nos.)	25,000,000	25,000,000
Weighted Average number of equity shares in calculating diluted earnings per share (refer note below) (Nos.)	29,411,764	29,411,764
<b>Face Value per equity share</b>	10.00	10.00
<b>Earning Per Share</b>		
Basic (Rs.)	3.90	3.48
Diluted (Rs.)	3.31	2.96

**Note: Weighted average number of equity shares used as denominator**

	<b>No. of shares</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Weighted average number of equity shares used as denominator in calculating basic earnings per share:	25,000,000	25,000,000
Adjustments for calculation of diluted earnings per share:		
-Compulsorily Convertible Preference shares	4,411,764	4,411,764
<b>Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted earnings per share</b>	<b>29,411,764</b>	<b>29,411,764</b>



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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**Note 29****Asset pledged as security (refer note 15)**

	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Current</b>		
Inventories	4,866.95	4,388.31
Trade receivables	2,986.58	2,664.69
<b>Total current assets pledged as security</b>	<b>7,653.53</b>	<b>7,053.00</b>

**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**

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for :

Contingent liabilities

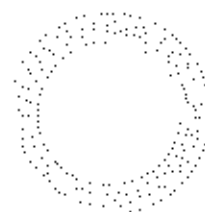
	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
	6.38	-
	21.61	-
	<b>27.99</b>	<b>-</b>

**Note 32****Payments to auditors**

-As Audit Fee

-For Other matters

	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
	10.00	10.00
	0.29	0.56
	<b>10.29</b>	<b>10.56</b>





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. 155.58 lacs (31 March 2023 : Rs.135.78 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 8 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 2024	31 March 2023
Defined benefit obligation at the beginning of the year	204.06	151.25
Current service cost	43.84	36.46
Interest cost	15.37	9.08
Benefits paid	(8.02)	(8.26)
Actuarial (gain)/ loss on obligations - OCI	11.39	17.45
Defined benefit obligation at the end of the year	266.74	204.96

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

	31 March 2024	31 March 2023
Fair value of plan assets	-	-
Defined benefit obligation	266.74	204.96
Amount recognised in the Balance Sheet	266.74	204.96
Current	36.89	25.38
Non current	230.85	179.58

Amount recognised in Statement of Profit and Loss:

	31 March 2024	31 March 2023
Current service cost	43.84	36.46
Net interest expense	15.37	9.08
Amount recognised in Statement of Profit and Loss	59.21	45.54

Amount recognised in Other Comprehensive Income:

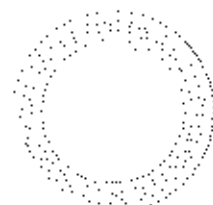
	31 March 2024	31 March 2023
Actuarial loss - obligation	11.39	17.45
Amount recognised in Other Comprehensive Income:	11.39	17.45

Breakup of actuarial gain/(loss):

	31 March 2024	31 March 2023
Actuarial Loss from change in demographic assumption	-	-
Actuarial Loss from change in financial assumption	3.52	4.28
Actuarial Loss from experience adjustment	7.77	13.16
Total actuarial (gain)/loss	11.39	17.45

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

	31 March 2024	31 March 2023
Discount rate	7.25%	7.50%
Future salary increases	7.00%	7.00%
Attrition Rate / Withdrawal Rate	11.00%	11.00%
Retirement age	50 years	58 years
Limit (Rs. In lakhs)	20.00	20.00
Mortality	I&M 2012-14	I&M 2012-14



Kajaria Bathware Private Limited

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees Lacs, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Assumptions				
Discount rate	1%	1%	(18.63)	(12.96)
	-1%	-1%	18.77	14.61
Future salary increases	1%	1%	18.63	14.54
	-1%	-1%	(16.82)	(13.12)
Withdrawal rate	1%	1%	(0.54)	(0.28)
	-1%	-1%	0.53	0.22

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:

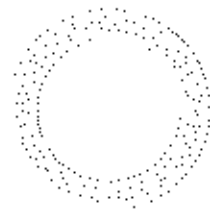
	From 31 March 2024	From 31 March 2023
Within next 12 months (next annual reporting period)	35.58	20.45
Between 1 and 5 years	43.58	37.08
Beyond 5 years	187.27	147.45
Total expected payments	266.73	204.98

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (31 March 2023: 18 years).

Expected contribution for next year is Rs. 53.27 lacs (31 March 2023: Rs. 43.18 lacs)

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

	From 31 March 2024	From 31 March 2023
Amounts recognised in the balance sheet	110.82	99.24



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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**Note -34****Dues to Micro and Small Enterprises**

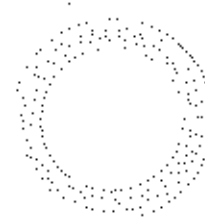
The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

Particulars	Rs in Lakhs	
	March 31, 2024	March 31, 2023
(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	852.90	466.60
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.

**Note -35****Segment Reporting**

According to Ind AS 108 'Operating Segment', identification of operating segments is based on Chief Operating Decision Maker ('CODM') approach for making decisions about allocating resources to the segment and assessing its performance. In Company, 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 is not considered applicable.





**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 2024 and 31 March 2023.

The analysis 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 2024 and 31 March 2023.

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.

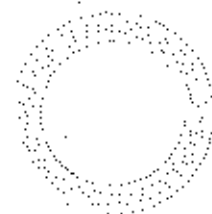
	Increase/decrease in basis points	Effect on loss before tax INR in lacs
<b>31-Mar-24</b>		
INR	+50	(7.58)
INR	-50	7.58
<b>31-Mar-23</b>		
INR	+50	(14.29)
INR	-50	14.29

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
<b>31-Mar-24</b>	+5%	(43.92)
	-5%	43.92
<b>31-Mar-23</b>	+5%	(20.25)
	-5%	20.25



(Amount in Rupees lakhs, unless otherwise stated)

	Change in EURO rate	Effect on loss before tax INR in Lacs
31-Mar-24	+5%	-
	-5%	-
31-Mar-23	+5%	(18.48)
	-5%	18.48

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 6 years	> 5 years	Total
<b>Year ended</b>					
<b>31-Mar-24</b>					
Borrowings	568.30	297.02	800.00	-	1,665.32
Lease Liabilities	48.32	144.95	387.86	-	581.13
Trade payables	1,768.39	-	-	-	1,768.39
Other financial liabilities	1,494.97	-	-	-	1,494.97
	<b>3,879.98</b>	<b>441.97</b>	<b>1,187.86</b>	-	<b>5,489.81</b>
<b>Year ended</b>					
<b>31-Mar-23</b>					
Borrowings	296.98	79.39	2,000.00	-	2,376.37
Lease Liabilities	38.23	108.69	362.30	-	507.22
Trade payables	1,775.93	-	-	-	1,775.93
Other financial liabilities	1,189.94	-	-	-	1,189.94
	<b>3,299.08</b>	<b>188.08</b>	<b>2,362.30</b>	-	<b>5,849.46</b>



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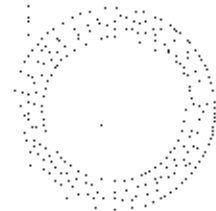
Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount in Rupees lakhs, unless otherwise stated)

**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.



**Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024**  
(Amount in Rupees lakhs, unless otherwise stated)

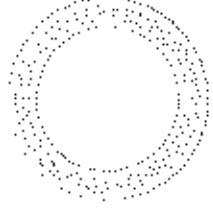
**Note: 38**  
**Capital Management**

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 2024.

	At 31 March 2024	At 31 March 2023
Borrowings	1,665.32	2,376.37
Net debts A	1,665.32	2,376.37
Total Equity B	9,681.76	8,716.17
Gearing ratio (A/B)	17%	27%





(Amount in Rupees lakhs, unless otherwise stated)

## 39 Category wise classification of financial Instruments

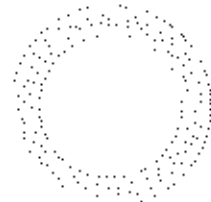
	31 March 2024			31 March 2023		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
<b>Financial assets</b>						
<b>Non-current</b>						
(i) Loans	-	-	-	-	-	345.50
(ii) Other financial assets	-	-	148.59	-	-	156.32
<b>Current</b>						
(i) Trade receivables	-	-	2,988.58	-	-	2,664.69
(ii) Cash and cash equivalents	-	-	73.23	-	-	59.91
(iii) Loans	-	-	136.28	-	-	88.20
(iv) Other financial assets	-	-	269.19	-	-	39.30
<b>Total financial assets</b>	-	-	<b>3,613.85</b>	-	-	<b>3,353.92</b>
Excludes non-current investment measured at cost Rs. 2025.92 lacs (Previous year Rs. 2025.92 lacs)						
<b>Financial liabilities</b>						
<b>Non-current</b>						
(i) Borrowings	-	-	800.00	-	-	2,000.00
(ii) Lease liabilities	-	-	367.86	-	-	362.30
<b>Current</b>						
(i) Borrowings	-	-	885.32	-	-	376.37
(ii) Trade payables	-	-	1,766.39	-	-	1,775.93
(iii) Lease liabilities	-	-	193.27	-	-	193.27
(iv) Other financial liabilities	-	-	1,494.97	-	-	1,189.94
<b>Total financial liabilities</b>	-	-	<b>5,489.81</b>	-	-	<b>5,897.81</b>

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 bearing 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 currently applicable for debt on similar terms, credit risk and remaining maturities.



Note: 40 Leases

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

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	6	1 to 6 years	3.0 years
(previous year)	7	1 to 7 years	4.6 years

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

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

The balance sheet shows the following amounts relating to leases:

(Rs. in Lakhs)

Particulars	Category of right-of-use assets	
	Buildings	Total
Balance as at 1 April 2022	594.90	594.90
Addition	-	-
Disposals	-	-
Depreciation	148.31	148.31
As at 31 March 2023	446.59	446.59
Addition	252.02	252.02
Disposals	-	-
Depreciation	203.05	203.05
As at 31 March 2024	495.56	495.56

c) Lease payments not recognised as lease liabilities:

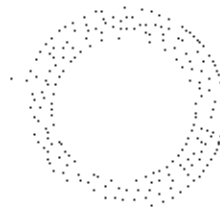
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expenses relating to short term leases (included in other expenses)	152.30	150.09
Total	152.30	150.09

d) The total cash outflow for finance leases for the year ended 31 March 2024 is Rs. 249.61 lacs (31 March 2023 : 207.50 Lacs)

e) Future minimum lease payments as on 31 March 2024 are as follows:

Minimum lease payments due	As on 31 March 2024		
	Lease payments	Finance charges	Net present values
Within 1 year	234.85	41.39	193.27
1 - 2 years	207.81	24.05	183.66
2 - 3 years	130.55	12.04	118.51
More than 3 years	48.95	3.17	45.79
Total	622.16	79.64	542.52

Minimum lease payments due	As on 31 March 2023		
	Lease payments	Finance charges	Net present values
Within 1 year	192.50	47.68	144.92
1 - 2 years	275.31	30.76	244.59
2 - 3 years	121.19	11.50	109.69
More than 3 years	12.10	2.65	9.45
Total	501.10	92.59	408.51



Kajaria Bathware Private Limited

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Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

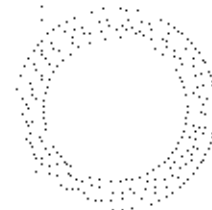
(Amount in Rupees lakhs, unless otherwise stated)

**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:

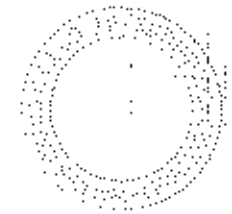
	Year ended 31 March 2024	Year ended 31 March 2023
Gross amount required to be spent during the year	18.02	10.6
(i) Construction/acquisition of any asset		
Paid in cash	-	-
Other than cash	-	-
(ii) On purposes other than (i) above		
Paid in cash	15.60	8.00
Other than cash	2.63	2.90
	<b>18.23</b>	<b>10.90</b>
Shortfall at the end of the year		
Reason for shortfall	NA	NA



Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

Note: 42 Ratios

S. No.	Ratio	Numerator	Denominator	31-03-2024	31-03-2023	% change	Reason for variance
I.	Current Ratio	Current Assets	Current Liabilities	1.68	1.91	-12%	
II.	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.17	0.27	-37%	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	7.52	6.98	8%	NA
IV.	Return on Equity Ratio	Net Profit after tax- Preference Dividend	Average Shareholders' Equity	0.10	0.10	0%	Due to decrease in profit in current year
V.	Inventory Turnover Ratio	Revenue from operation	Average Inventory	4.84	4.17	16%	NA
VI.	Trade Receivable Turnover Ratio	Revenue from operation	Average Accounts receivables	7.75	6.57	18%	NA
VII.	Trade Payable Turnover Ratio	Net credit Purchases	Average Trade payables	10.13	10.01	1%	
VIII.	Net Capital Turnover Ratio	Net Sales	Working Capital	6.32	4.87	30%	Due to increase in sale and reduction in working capital requirement
IX.	Net Profit Ratio	Net Profit after tax- Preference Dividend	Net Sales	0.04	0.05	-20%	NA
X.	Return on Capital Employed	EBIT	Capital Employed	0.09	0.11	-18%	NA
XI.	Return on Investment		Not Applicable	NA	NA		NA



Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

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

(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 property plant & equipment, 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

Summary of material accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2024

(Amount In Rupees lakhs, unless otherwise stated)

**Note 47**

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on 01 April 2023.


The Company uses SAP S/4 HANA as the primary accounting software. During the current financial year, the audit trail (edit log) feature for any direct changes made at the database level was not enabled for the accounting software SAP S/4 HANA used for maintenance of all the accounting records by the Company. However, the audit trail (edit log) at the application level (entered from the frontend by users) for the accounting software were operating for all relevant transactions recorded in the software.

**Note 48**

The figures of the previous year have been re-classified according to current year classification wherever required. The impact of the same is not material to the users of the standalone financial statements.

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

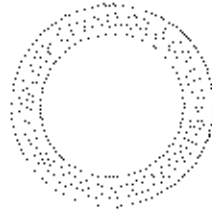
For and on behalf of the board of directors  
of **Kajaria Bathware Private Limited**

  
Nailn Jain  
Partner  
Membership No. 503498

  
Rishi Kajaria  
Managing Director  
DIN 228455

  
Ashok Kajaria  
Director  
DIN 273877

Date: 06 May 2024  
Place: New Delhi



  
Dilip Kumar Maliwal  
Chief Financial Officer

  
Saurav Chakraborty  
Company Secretary  
(ACS: A-52813)

