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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
KAJARIA PLYWOOD PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **KAJARIA PLYWOOD PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis For Opinion

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

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

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

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

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

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

   We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably

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be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended we have been informed that, no managerial remuneration has been paid/provided during the year by the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed impact of pending litigations on its financial position in Note 26.

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

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

IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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V (a) The company has not proposed and declared any final dividend in the previous year.

(b) The company has not declared and paid any interim dividend during the year.

(c) The Board of Directors of the Company have not proposed any final dividend for the year.

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 35A to the 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 O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 000018N/N500091

(NITIN JAIN)
PARTNER
M. No. 510841

PLACE: NEW DELHI
DATED: 30.04.2024
UDIN: 24510841BKERTB3362

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ANNEXURE 'I' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kajaria Plywood Private Limited of even date)

i. In respect of the Company's Property, Plant and Equipment:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right to Use asset.

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

c. There are no immovable properties held by the company.

d. The Company has not revalued any of its Property, Plant and Equipment during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As informed to us physical verification of inventory has been conducted at reasonable intervals by the management. As informed to us no material discrepancies between physical inventory and book records were noticed on physical verification.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. a) The Company has not made any investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year and hence reporting under clause 3(iii) of the Order is not applicable.

b) As the company has not made any investment in companies, firms, Limited Liability Partnerships and not granted unsecured loans to other parties during the year. Hence clause iii(b) is not applicable.

c) As the company has not made any investment in companies, firms, Limited Liability Partnerships and not granted unsecured loans to other parties during the year. Hence clause iii(c) is not applicable.

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d) There is no overdue amount in respect of loans granted to such party. Hence clause iii(d) is not applicable.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same party.

f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associates' companies.

iv. We have been informed that the company has not entered into any transactions in nature of loans/ investment/guarantee/security covered under section 185 and 186 of Companies Act 2013.

v. According to the information and explanations given to us the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(c) We have been informed that there are no dues outstanding in respect of income-tax, goods and service tax, sales-tax, service-tax, duty of customs on account of any dispute except following:

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Nature of Statue	Nature of Dues	Year	Amount involved Rs. In lacs	Amount Paid Rs. In lacs	Forum where the matter is pending
Goods & Service Tax Act 2017	Penalty	2023	2.46	2.46	Commissioner Appeals (West Bengal)

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) 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) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanation given to us, the company has complied with the requirements of section 42 and section 62 of the act and the Rules framed thereunder with respect to the same. Further, the amounts so raised have been utilized by the company for the purposes for which these funds were raised.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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(c) There are no whistle blower complaints received by the Company during the year and up to the date of this report.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. In our opinion and based on our examination, the company is not required to have an internal audit system as per provisions of the Companies Act 2013. Therefore clause 3(xiv) is not applicable to the Company.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year for Rs. 1090.39 lacs and Rs. 1033.04 lacs respectively.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans 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

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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. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amount u/s 135(5) of the company act ,2013 hence clause xx (b) is not applicable.

xxi. This clause is not applicable on audit report on standalone financial statements.

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(NITIN JAIN)
PARTNER
M. No. 510841

PLACE: NEW DELHI
DATED: 30.04.2024
UDIN: 24510841BKEKTV3362

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ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **KAJARIA PLYWOOD PRIVATE LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For O P BAGLA & CO LLP
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Kajaria Plywood Private Limited
Balance Sheet as at 31 March, 2024

(Amount in Rupees lacs, unless otherwise stated)

	Particulars	Notes	As at 31 March 2024	As at 31 March 2023
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	3	157.04	18.57
	(b) Right of use Asset	3a	233.33	-
	(c) Financial assets:			
	(i) Other Financial Assets	4	16.18	0.80
	(d) Non current tax assets (net)	5	1.09	0.85
	Sub-total		**407.63**	**20.22**
(2)	**Current assets**			
	(a) Inventories	6	568.07	-
	(b) Financial assets			
	(i) Trade receivables	7	5,059.69	1,783.63
	(ii) Cash and cash equivalents	8	41.85	27.21
	(c) Other current assets	9	712.95	601.23
	Sub-total		**6,382.55**	**2,412.07**
	Total Assets		**6,790.19**	**2,432.29**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	10	4,000.00	990.00
	Other Equity	11	(5,895.37)	(4,764.27)
	Sub-total		**(1,895.37)**	**(3,774.27)**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12	3,985.00	4,575.00
	(ii) Lease Liabilities	33	191.60	-
	(b) Provisions	13	26.64	21.56
	Sub-total		**4,203.24**	**4,596.56**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12	2,082.80	-
	(ii) Trade Payables	14		
	(a) Dues of Micro and Small Enterprises		685.83	21.98
	(b) Dues to others		1,036.71	1,222.88
	(iii) Lease Liabilities	33	52.05	-
	(iv) Other financial liabilities	15	551.05	248.33
	(b) Other current liabilities	16	72.29	115.68
	(c) Provisions	13	1.58	1.12
	Sub-total		**4,482.32**	**1,610.00**
	Total Equity and Liabilities		**6,790.19**	**2,432.29**

Significant Accounting Policies **1 & 2**

The accompanying notes form an integral part to the financial statements.

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

NITIN JAIN
Partner
M.No.510841
Place: New Delhi
Date: 30th April 2024

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

For and on behalf of the board

Chetan Kajaria
Director
DIN : 00273928

Arun Bagla
Director
DIN : 00369178

Kajaria Plywood Private Limited
Statement of Profit and Loss for the year ended 31 March 2024

(Amount in Rupees lacs, unless otherwise stated)

	Particulars	Notes	For the Year ended 31 March 2024	For the Year ended 31 March 2023
I	**INCOME**			
	Revenue from operations	17	10,439.27	7,731.59
	Other income	18	3.34	3.37
	Total Revenue (I)		**10,442.61**	**7,734.97**
II	**EXPENSES**			
	Purchases of stock in trade	19	8,807.87	6,130.99
	Changes in inventories of stock-in-trade	20	(567.37)	-
	Employee benefits expenses	21	1,369.39	909.85
	Finance costs	22	382.67	274.83
	Depreciation and amortization expenses	23	44.19	3.38
	Other expenses	24	1,540.43	1,452.34
	Total expenses (II)		**11,577.19**	**8,771.39**
III	**Profit / (loss) for the year from continuing operations (I-II)**		**(1,134.58)**	**(1,036.42)**
IV	Tax expense:			
	Current Tax		-	-
	Deferred Tax		-	-
V	**Profit / (Loss) for the Year (III-IV)**		**(1,134.58)**	**(1,036.42)**
VI	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss in subsequent period			
	Re-measurement gains/(losses) on defined benefit plans		3.49	9.53
VII	**Total comprehensive income for the year, net of tax**		**(1,131.09)**	**(1,026.89)**
VIII	**Earnings per Share (In Rupees)**	23		
	Basic and Diluted computed on the basis of profit from computing operations		(4.08)	(10.47)

Significant Accounting Policies **1 & 2**

The accompanying notes form an integral part to the financial statements.

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

NITIN JAIN
Partner
M.No.510841
Place: New Delhi
Date: 30th April 2024

For and on behalf of the board

Chetan Kajaria
Director
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Arun Bagla
Director
DIN : 00369178

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

Kajaria Plywood Private Limited

Statement of Cash Flows for the year ended 31 March 2024

(Amount in Rupees lacs, unless otherwise stated)

	Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Loss before tax		**(1,134.58)**		**(1,036.42)**
	Adjusted for :				
	Depreciation and Amortisation	44.19		3.38	
	Loss on sale of tangible asset	0.03		3.54	
	Payment of Lease liablities	(3.54)			
	Interest income	(0.12)		(3.07)	
	Finance costs	382.67		274.83	
			423.22		**278.68**
	Operating Profit before Working Capital Changes		**(711.36)**		**(757.74)**
	Adjusted for :				
	Trade & Other receivable	(4,237.73)		(734.86)	
	Trade Payable	2,708.32		447.75	
	Other financial liabilities	302.72		(14.78)	
	Other current liabilities	(43.39)		55.88	
	Provisions	5.55		4.91	
			(1,264.53)		(241.12)
	Cash Generated from Operations		(1,975.88)		(998.86)
	Direct Taxes Paid (net)	0.24		1.40	
	Exceptional items		0.24		1.40
	Net Cash from operating activities		**(1,975.65)**		**(997.46)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Sale of property plant and equipment	0.53		0.20	
	Purchase of property plant and equipment	(150.27)		-	
	Interest Received	0.12		3.07	
	Net Cash used in Investing Activities		**(149.62)**		**3.27**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds of Issue of Share Capital	3,010.00		0.00	
	Proceeds/ (Repayment) of Borrowings (Net)	(590.00)		1,250.00	
	Repayment of Lease liablities	(33.37)			
	Interest Paid	(246.72)		(274.83)	
	Net Cash used in Financing Activities		**2,139.91**		**975.17**
	Net increase in Cash and Cash Equivalents		**14.64**		**(19.02)**
	Opening balance of Cash and Cash Equivalents as at the beginning of the year		**27.21**		**46.23**
	Closing balance of Cash and Cash Equivalents as at the year end		**41.85**		**27.21**

Note to Statement of of cash flows

1	Components of cash and cash equivalents		
	Balances with banks		
	- Current accounts	41.65	26.84
	- Deposit accounts (demand deposits and deposits 'having original maturity of 3 months or less)		
	Cash on hand	0.20	0.37
	Cash and cash equivalents considered in the statement of cash flows	**41.85**	**27.21**

2 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

The note referred to above forms an integral part of the financial statements

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

For and on behalf of the board

NITIN JAIN
Partner
M.No.510841
Place: New Delhi
Date: 30th April 2024

Chetan Kajaria
Director
DIN : 00273928

Arun Bagla
Director
DIN : 00369178

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

Kajaria Plywood Private Limited
Statement of Changes in Equity for the year ended 31 March 2024

(Amount in Rupees lacs, unless otherwise stated)

Equity share capital

	31 March 2024	31 March 2023
Issued, subscribed and paid up capital (Refer note 10)		
Opening balance	4,000.00	990.00
Issued during the year	-	-
Closing balance	4,000.00	990.00

Other equity (refer note 11)

	Reserves and Surplus		Other Comprehensive income	Total equity
	Securities premium	Retained earnings	Actuarial gain/(loss)	
At 31 March 2022	-	(3,737.39)	-	(3,737.39)
Net income / (loss) for the year	-	(1,036.42)	9.53	(1,036.42)
Other comprehensive income	-	9.53	(9.53)	9.53
Total	-	(1,026.89)	-	(1,026.89)
At 31 March 2023	-	(4,764.27)	-	(4,764.27)
Net income / (loss) for the year	-	(1,134.58)	3.49	(1,134.58)
Other comprehensive income	-	3.49	(3.49)	3.49
Total	-	(1,131.09)	-	(1,131.09)
At 31 March 2024	-	(5,895.37)	-	(5,895.37)

The accompanying notes form an integral part to the financial statements.

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

NITIN JAIN
Partner
M.No.510841
Place: New Delhi
Date: 30th April 2024

For and on behalf of the board

Chetan Kajaria
Director
DIN : 00273928

Arun Bagla
Director
DIN : 00369178

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

1. Corporate information

KAJARIA PLYWOOD PRIVATE LIMITD ("KPPL" or "the company") is a private limited company domiciled in India and was incorporated on 27th September 2017. The company is subsidiary company of Kajaria Ceramics Ltd. The registered office of the Company is located at J-1/B-1 Extension, Mohan Coop Ind Estate, Mathura Road, New Delhi.

The company is engaged in trading of Plywood & Block Board, Doors, Laminates. The company started its operations in the year 2018 with trading division Morbi (Gujarat) and it also has trading division at Rudrapur (Uttrakhand), Mangalore (Karnatka), Kolkata (West Bengal), Regional Depot Centre at Delhi & Regional office at Kirti Nagar.

The financial statements of the company for the year ended 31st March 2024 were authorized for issue in accordance with a resolution of the directors on 30th April 2024.

2. Significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.
The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Significant accounting policies

a. Current versus non-current classification

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

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

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

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

The Company classifies all other liabilities as non-current.

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

b. Property, plant and equipment

i) Tangible assets

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

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

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

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

Depreciation on property, plant and equipment's are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

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

c. Borrowing Costs

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

d. Impairment of non-financial assets

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

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an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

e. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of trading and other products are determined on weighted average basis. Stores & spares are valued at cost.

f. Revenue recognition:

Revenue is recognised on transfer of promised goods and services to the customers on performance of obligation at the price that reflects the consideration to which the Company expected to receive on performance of obligation, regardless of when payment is being made. Revenue from operations includes sale of goods and adjusted for discounts. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

h. Foreign currency transactions

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

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

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

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

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

i. Taxes on income

Current tax

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

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

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention

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either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

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

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

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

j. Employee benefits

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

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

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

k. Provisions, Contingent liabilities and Contingent assets

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

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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.

I. Leases

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

The Company as a lessee
From 1 April 2023, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in the statement of profit and loss in the period in which the condition that triggers those payments occurs.

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

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exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

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

m. Earnings per share

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

n. Cash and cash equivalents

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

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

o. Fair value measurement

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

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

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

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

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

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p. Financial instruments

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

(a) Financial assets

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial assets carried at amortised cost**

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

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

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

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

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

Derecognition

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

Impairment of financial assets

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

(b) Financial liabilities

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial liabilities at amortised cost**

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

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

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

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

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

Derecognition

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

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of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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

2.3 Significant accounting judgements, estimates and assumptions

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

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

Judgements

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

Contingencies

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

Estimates and assumptions

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

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an

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asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

(b) Defined benefit plans

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

(c) Fair value measurement of financial instruments

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

(d) Impairment of financial assets

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

2.4 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Note 3 :

Property, plant and equipment

	Plant and machinery	Furniture & fixtures	Vehicles	Computers	Electric & Office equipments	Total
Gross Carrying Value						
As 31 March 2022	-	4.62	-	4.34	22.14	**31.10**
Additions	-	-		-	-	-
Disposal	-	4.25		0.28	0.30	**4.83**
As 31 March 2023	-	**0.37**	-	**4.07**	**21.84**	**26.28**
Additions	63.49	20.05	56.06	5.15	5.52	**150.27**
Disposal	-	-	-	0.53	-	**0.53**
As 31 March 2024	63.49	**20.42**	**56.06**	**8.70**	**27.36**	**176.02**
Depreciation and impairment						
As 31 March 2022	-	0.46	-	2.58	2.39	**5.42**
Additions	-	0.22		0.83	2.33	3.38
Disposal		0.59		0.26	0.24	1.09
As 31 March 2023	-	0.09	-	3.14	4.48	7.71
Additions	1.89	0.58	5.14	1.44	2.72	11.77
Disposal				0.50		0.50
As 31 March 2024	1.89	0.67	5.14	4.08	7.20	**18.98**
Net Carrying value						
31 March 2024	61.60	19.75	50.92	4.62	20.16	157.04
31 March 2023	-	0.28	-	0.93	17.37	18.57

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(Amount in Rupees lakh, unless otherwise stated)

3a Right of use asset

Gross carrying amount	
Balance as at 31 March 2023	-
Additions	265.75
Disposals	-
Balance as at 31 March 2024	265.75
Accumulated depreciation and impairment losses	
Balance as at 31 March 2023	-
Depreciation for the year	32.42
Reversal on disposal of assets for the year	-
Balance as at 31 March 2024	32.42
Carrying amount (net)	
Balance as at 31 March 2024	233.33
Balance as at 31 March 2023	-

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Note 4 : Other Financial Assets at amortised cost (Unsecured, Considered good)

	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Security deposits	16.18	0.80	-	-
	16.18	**0.80**	-	-

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Note 5 : Non current tax assets (net)

	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Advance Income Tax / TDS	1.09	0.85	-	-
	1.09	**0.85**	-	-

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Notes to financial statement for the year ended 31 March 2024

(Amount in Rupees lakh, unless otherwise stated)

Note 6 : Inventories (As taken, valued and certified by the Management)	**31 March 2024**	**31 March 2023**
Stock In Trade	567.37	-
Stores and Spares	0.70	-
	568.07	-

(Inventories have been valued in accordance with accounting policy no. 2.2 (e) as referred in Note No.1&2)

Note 7 : Trade receivables (Unsecured)	**31 March 2024**	**31 March 2023**
Trade Receivables - Considered Good	5,061.47	1,783.63
	5,061.47	1,783.63
Less : Allowance for expected credit losses	(1.78)	-
	5,059.69	1,783.63

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 trade receivalbes are short term. Net carrying amount of trade receivables is at reasonable approximation of fair value.

Particulars	NOT DUE	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT					Total
		Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	
							31 March 2024
(i) Undisputed Trade receivables-considered good	-	4,527.18	349.36	171.45	13.48	-	5,061.47
(ii) Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables considered doubtful	-	-	-	-	-	-	-
	-	4,527.18	349.36	171.45	13.48	-	5,061.47
							31 March 2023
(i) Undisputed Trade receivables-considered good	-	1,620.28	149.44	13.91	-	-	1,783.63
(ii) Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables considered doubtful	-	-	-	-	-	-	-
	-	1,620.28	149.44	13.91	-	-	1,783.63

Note 8 : Cash & cash equivalents	**31 March 2024**	**31 March 2023**
Balance with banks	41.65	26.84
Cash on hand	0.20	0.37
	41.85	27.21

Break up of financial assets carried at amortised cost:	**31 March 2024**	**31 March 2023**
Security deposits	16.18	0.80
Cash and cash equivalents	41.85	27.21
Trade receivables	5,061.47	1,783.63
Total	**5,119.50**	**1,811.63**

Note 9 : Other current assets (Unsecured Considered Good)	**31 March 2024**	**31 March 2023**
Advances to Suppliers	609.89	500.93
Advances to Employees	18.73	2.65
Prepaid expenses	26.28	13.51
Balance with Govt authorities	58.05	84.15
	712.95	**601.23**

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	31 March, 2024	31 March, 2023
Note 10 : Equity Share capital		
a) Authorised		
5,00,00,000 shares (31 March 2023: 1,00,00,000 shares of par value of Rs. 10 each)	5,000.00	1,000.00
	5,000.00	**1,000.00**
b) Issued, subscribed and paid up		
4,00,00,000 shares (31 March 2023: 99,00,000 shares of par value of Rs. 10 each)	4,000.00	990.00
	4,000.00	**990.00**

c) The Company has issued 3,01,00,000 equity shares to its holding company during the year. The commpany has not bought back any share in current year and in previous year.

Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	**31 March, 2024**	**31 March, 2023**
Shares outstanding at the beginning of the year	9,900,000	9,900,000
Shares issued during the year	30,100,000	-
Shares outstanding at the end of the year	**40,000,000**	**9,900,000**

Particulars	**31 March, 2024**	**31 March, 2023**
Shares Capital at the beginning of the year	990.00	990.00
Shares issued during the year	3,010.00	-
Shares Capital at the end of the year	**4,000.00**	**990.00**

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

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

e) Kajaria Ceramics Limited is the holding company of the Company and shares held by such holding company are mentioned in as below in note (f).

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

	Sunday, March 31, 2024		**Friday, March 31, 2023**	
Particulars	**Number of shares held**	**% of holding**	**Number of shares held**	**% of holding**
Kajaria Ceramics Limited	40,000,000	100.00%	9,900,000	100.00%

g) **Shareholding of Promoters under sub heading "Equity Share Capital" in Financial Statement**

31 March 2024

S.NO.	Promoters Name	No. of Shares	% age of shares held	% age change during the year
1	Kajaria Ceramics Limited*	40,000,000	100.00%	0.00%
	Total	40,000,000		

* including 100 shares held in the name of nominee of the Kajaria Ceramics Limited.

31 March 2023

S.NO.	Promoters Name	No. of Shares	% age of shares held	% age change during the year
1	Kajaria Ceramics Limited*	9,900,000	100.00%	2.11%
	Total	9,900,000		

h) The Company has not issued any bonus shares or shares for a consideration other than cash since its incorporation.
i) No Shares in the company is reserved for issue under options and contracts or commitment for the sell of shares or disinvestment.

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Note 10 : Other Equity

	Amount
Reserves and Surplus	
Retained earnings	
Balance as at 31 March 2022	**(3737.39)**
Profit/(loss) for the year	(1036.42)
Other comprehensive income	9.53
Balance as at 31 March 2023	**(4764.28)**
Profit/(loss) for the year	(1134.58)
Other comprehensive income	3.49
Balance as at 31 March 2024	**(5895.37)**
Other Comprehensive income	
Closing balance as at 31 March 2022	-
For the year	9.53
Transfer to retained earnings	(9.53)
Closing balance as at 31 March 2023	-
For the year	3.49
Transfer to retained earnings	(3.49)
Closing balance as at 31 March 2024	-
Total other equity at	
As at 31 March 2024	**(5895.37)**
As at 31 March 2023	(4764.28)

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Note 12 : Borrowings

	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Inter Corporate Deposits (unsecured)				
From Related Party- Holding company (refer note no- 30)	3,985.00	4,575.00	-	-
Working Capital Facility (unsecured)				
From a NBFC	-	-	2,082.80	-
	3,985.00	4,575.00	2,082.80	-

Terms of Borrowings

Inter Corporate Deposits (unsecured)
Represents amount borrowed from M/s Kajaria Ceramics Ltd - Holding Company. Bearing interest @ 8% p.a. Stipulation for repayment of loan is not fixed.

Working Capital Facility (unsecured)
The above loans are unsecured and are repayable on demand within 12 months. The agreed interest rate is 10.75% p.a.

Note 13 : Provisions

	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Provision for employee benefits				
Gratuity	15.91	12.34	0.33	0.03
Accumulated leaves	10.73	9.22	1.25	1.09
	26.64	21.56	1.58	1.12

(refer notes 27 for Ind AS 19 disclosure)

Note 14 : Trade Payables

	31 March 2024	31 March 2023
Trade payables		
Dues of Micro and Small Enterprises	685.83	21.98
Dues to other creditors (including acceptances)	1,036.71	1,222.88
	1,722.54	1,244.86

Terms and conditions of the above trade payables:
1. Trade payables are non-interest bearing
2. Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

Particulars	Unbilled Dues	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT				Total
		Less than 1 year	1-2 Years	1-2 Years	More than 3 years	
						31 March 2024
(i) MSME	-	685.83	-	-	-	685.83
(ii) Others	-	1,036.71	-	-	-	1,036.71
	-	1,722.54	-	-	-	1,722.54
						31 March 2023
(i) MSME	-	21.98	-	-	-	21.98
(ii) Others	-	1,222.88	-	-	-	1,222.88
	-	1,244.86	-	-	-	1,244.86

Note 15 : Other Financial Liabilities

	31 March 2024	31 March 2023
Interest bearing deposits received from customers	92.75	91.76
Payable to employees	245.11	128.28
Outstanding liabilities	77.24	28.28
Interest Payable	135.95	-
	551.05	**248.33**

Break up of financial liabilities carried at amortised cost:

	31 March 2024	31 March 2023
Trade payables	1,722.54	1,244.86
Other financial liabilities	551.05	248.33
Borrowings (non - current)	3,985.00	4,575.00
Borrowings (current)	2,082.80	-
Lease Liabilities (non - current)	191.60	-
Lease Liabilities (current)	52.05	-
	8,585.04	6,068.19

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Note 16 : Other Current liabilities	**31 March 2024**	**31 March 2023**
Advance from customers	2.05	75.28
Statutory dues payable	70.24	40.40
	72.29	115.68

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Note 17 : Revenue from operations

	For the year 2023-24	For the year 2022-23
Sale of traded goods		
Plywood, Block Board & Doors, Laminates	10,439.27	7,731.59
Total sale of products	**10,439.27**	**7,731.59**

Note 18 : Other Income

	For the year 2023-24	For the year 2022-23
Export Benefit (Draw Backs) Received	3.22	0.30
Interest on Income tax refund	0.11	-
Interest on other	0.01	3.07
	3.34	**3.37**

Note 19 : Purchases of stock in trade

	For the year 2023-24	For the year 2022-23
Purchases of Plywood, Block Board & Doors, Laminates	8,807.87	6,130.99
	8,807.87	6,130.99

Note 20 : Changes in inventories of stock in trade

	For the year 2023-24	For the year 2022-23
Closing stock		
Work-in-Process		-
	567.37	-
Opening stock		
Stock In Trade	-	-
	-	-
Net (Increase)/decrease in inventories of stock in trade	(567.37)	-

Note 21 : Employee benefit expense

	For the year 2023-24	For the year 2022-23
Salary, wages, bonus and allowance	1,319.17	876.54
Contribution to provident fund and other funds	46.29	32.13
Staff Welfare expenses	3.93	1.18
	1,369.39	909.85

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Note 22 : Finance Costs

	For the year 2023-24	For the year 2022-23
Interest on debts and borrowings from Holding company	288.77	271.13
Interest on Dealer Deposits	3.69	3.71
Interest on Lease Liability (Refer Note 33)	11.28	-
Interest to Others	78.93	-
	382.67	**274.83**

Note 23 : Depreciation and amortization expense

	For the year 2023-24	For the year 2022-23
Depreciation of property, plant and equipment (refer to note 3)	11.77	3.38
Depreciation on ROU Assets (Refer Note 3a)	32.42	-
	44.19	**3.38**

Note 24 : Other expenses

	For the year 2023-24	For the year 2022-23
Repair & Maintenance- Plant & Machinery	8.27	-
Repair & Maintenance- Others	3.01	0.12
Stores And Spares Consumed	7.52	-
Auditor's Remuneration		
-As Audit Fee	1.25	1.25
-For Other matters	0.85	0.35
Legal and Professional Expenses	14.73	1.70
Communication Expense	7.14	7.24
Rent Expenses	3.54	6.05
Bank Charges	0.98	0.85
Advertisement and Sales Promotion Expenses	395.39	899.05
Freight, Handling and Distribution Expenses	668.31	291.88
Rates and taxes	0.20	0.12
Printing and stationary	7.28	7.35
Insurance Expenses	20.13	13.31
Travelling and Conveyance Expenses	237.92	127.26
Vehicle Running and Maintenance Expenses	102.12	85.44
Electricity & Water Expenses	4.64	0.39
Sundry Balance written off	1.00	2.59
Sales Commission	1.15	2.89
Allowance for expected credit losses	1.78	-
Loss On Sales of Property, plant and equipment	0.03	0.34
Security Charges	8.27	-
Filing Fees	36.97	1.30
Miscellaneous Expenses	7.96	2.85
	1,540.43	**1,452.34**

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Note -25
Earnings 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:

Particulars	For the year 2023-24	For the year 2022-23
Profit attributable to equity holders of the Company:		
Continuing operations	(1134.58)	(1036.42)
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	**(1134.58)**	**(1036.42)**
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	(1134.58)	(1036.42)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	27,833,973	9,900,000

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Particulars	For the year 2023-24	For the year 2022-23
Earning Per Share - Continuing operations		
Basic	(4.08)	(10.47)
Diluted	(4.08)	(10.47)
Face Value per equity share	10.00	10.00

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Note 26
CONTINGENT LAIBILITY & CAPITAL COMMITMENT

	As on 31st March 2024	As on 31st March 2023
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for	NIL	NIL
Contingent Liabilities:		
Demand under Goods and Service Tax Act 2017	2.46	2.46

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Note - 27

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. 46.29 lacs (31 March 2023 : Rs. 32.13 lacs)

Defined Benefit Plans - General Description

Gratuity:

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

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

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

	31 March 2024	31 March 2023
Defined benefit obligation at the beginning of the year	12.37	15.17
Current service cost	8.54	5.67
Interest cost	0.93	1.06
Benefits paid	-2.12	-
Actuarial (gain)/ loss on obligations - OCI	-3.49	-9.53
Defined benefit obligation at the end of the year	**16.24**	**12.37**

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

	31 March 2024	31 March 2023
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Return on plan assets	-	-
Benefits paid	-	-
Expected Interest Income on plan assets	-	-
Acturial gain/(loss) on plan asset	-	-
Fair value of plan assets at the end of the year	-	-

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

	31 March 2024	31 March 2023
Fair value of plan assets	-	-
Defined benefit obligation	16.24	12.37
Amount recognised in the Balance Sheet	**16.24**	**12.37**
Current	0.33	0.03
Non current	15.91	12.34

Amount recognised in Statement of Profit and Loss:

	31 March 2024	31 March 2023
Current service cost	8.54	5.67
Net interest expense	0.93	1.06
Amount recognised in Statement of Profit and Loss	**9.47**	**6.73**

Amount recognised in Other Comprehensive Income:

	31 March 2024	31 March 2023
Actuarial (gain)/loss - obligation	-3.49	-9.53
Amount recognised in Other Comprehensive Income:	**-3.49**	**-9.53**

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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 / Withdrawl Rate	10.00%	10.00%
Retirerment age	58	58
Limit (Rs. In lakhs)	20.00	20.00

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

Gratuity Plan	Sensitivity level			
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Assumptions				
Discount rate	+1%	+1%	0.15	0.11
	-1%	-1%	(0.18)	(0.13)
Future salary increases	+1%	+1%	0.17	0.13
	-1%	-1%	(0.15)	(0.11)
Withdrawal rate	+1%	+1%	0.16	0.12
	-1%	-1%	(0.17)	(0.13)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insiginificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

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

	31 March 2024	31 March 2023
Within next 12 months (next annual reporting period)	0.33	0.03
Between 2 and 5 years	2.16	1.12
Beyond 5 years	13.75	11.22
Total expected payments	**16.24**	**12.37**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18 (31 March 2023: 19).

<u>Defined Benefit Plans - General Description</u>

Compensated absence

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 Compensated absence:

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	10.32	11.66
Current service cost	6.75	5.03
Interest cost	0.77	0.82
Benefits paid	-9.61	-11.36
Actuarial (gain)/ loss on obligations	3.75	4.17
Defined benefit obligation at the end of the year	**11.98**	**10.32**

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

	31 March 2024	31 March 2023
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Return on plan assets	-	-
Benefits paid	-	-
Expected Interest Income on plan assets	-	-
Acturial gain/(loss) on plan asset		
Fair value of plan assets at the end of the year	-	-

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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	11.98	10.32
Amount recognised in the Balance Sheet	**11.98**	**10.32**
Current	1.25	1.09
Non current	10.73	9.22

Amount recognised in Statement of Profit and Loss:

	31 March 2024	31 March 2023
Current service cost	6.75	5.03
Net interest expense	0.77	0.82
Amount recognised in Statement of Profit and Loss	**7.52**	**5.85**

	31 March 2024	31 March 2023
Actuarial (gain)/loss - obligation	3.75	4.17
	3.75	**4.17**

The principal assumptions used in determining Compensated absence 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 / Withdrawl Rate	10.00%	10.00%
Retirerment age	58	58
Limit (Rs. In lakhs)	20.00	20.00

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

Compensated absence	Sensitivity level			
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Assumptions				
Discount rate	+1%	+1%	0.15	0.11
	-1%	-1%	(0.18)	(0.13)
Future salary increases	+1%	+1%	0.17	0.13
	-1%	-1%	(0.15)	(0.11)
Withdrawal rate	+1%	+1%	0.16	0.12
	-1%	-1%	(0.17)	(0.13)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insiginificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

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(Amount in Rupees lakh, unless otherwise stated)

Note -28
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	31 March 2024	31 March 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	-	21.98
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.

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Note -29

Segment Reporting

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

Entity Level Disclosure

There is 3 vendors from which company have purchases more than 10% each of total purchase

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Kajaria Plywood Private Limited
Notes to financial statement for the year ended 31 March 2024

(Amount in Rupees lakh, unless otherwise stated)

Note -30
Related party disclosures
Names of related parties and description of relationship

A

Name of the related party	Relationship	Relationship
Kajaria Ceramics Limited	Holding Company	Holding Company
Dua Engineering Works Pvt Ltd	Enterprises owned by Key Management Personnel	Enterprises owned by Key Management Personnel

B **Transactions during the year:**

	31 March 2024	31 March 2023
Kajaria Ceramics Limited		
Amount borrowed / (Repaid) (Net)	(590.00)	1,250.00
Interest paid/Provided	288.77	271.13
Reimbursement of Expenses	2.26	3.69
Rent paid	0.60	0.66
Dua Engineering Works Pvt Ltd		
Rent Paid	0.30	0.30

C **Closing Balances -**

	31 March 2024	31 March 2023
Kajaria Ceramics Limited	3,985.00 credit	4,575.00 credit

Terms and conditions of transactions with related parties

The transaction to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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31. 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 analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 26.

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
31-Mar-24		
INR	0.5	21.72
INR	-0.5	(21.72)
31-Mar-23		
INR	0.5	19.37
INR	-0.5	(19.37)

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

B. Foreign currency sensitivity
Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk senstivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. There is no foreign currency exposure as on balance sheet date.

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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.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date

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. 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)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-Mar-24						
Borrowings	-	-	2,082.80	3,985.00	-	6,067.80
Trade payables	-	1,722.54	-	-	-	1,722.54
Other financial liabilities	-	551.05	-	-	-	551.05
Lease Liabilities	-	12.21	39.84	191.61		243.65
	-	**2,285.80**	**2,122.65**	**4,176.61**	**0.00**	**8,585.04**
Year ended 31-Mar-23						
Borrowings	-	-	-	4,575.00	-	4,575.00
Trade payables	-	1,244.86	-	-	-	1,244.86
Other financial liabilities	-	248.33	-	-	-	248.33
Lease Liabilities	-	-	-	-	-	-
	-	**1,493.19**	**0.00**	**4,575.00**	**0.00**	**6,068.19**

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.

(Amount in Rupees Lakh, unless otherwise stated)

Note: 32
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	6,067.80	4,575.00
Net debts A	**6,067.80**	**4,575.00**
Total Equity B	**(1,895.37)**	**(3,774.27)**
Gearing ratio (A/B)	**(3.20)**	**(1.21)**

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33 Leases

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a) The weighted average lessee's incremental borrowing rate applied to the lease liabilities as 8.00% p.a. being reflective of market rate of interest with maturity between 2023 - 2028.

b) Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

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

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term(years)
Building	5	1 to 5 years	4.00

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.

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

The balance sheet shows the following amounts relating to leases:

Gross carrying amount	Amount
Balance as at 31 March 2023	-
Additions	265.75
Disposals	-
Balance as at 31 March 2024	**265.75**

Accumulated depreciation and impairment losses	
Balance as at 31 March 2023	-
Depreciation for the year	32.42
Reversal on disposal of assets for the year	-
Balance as at 31 March 2024	**32.42**

Carrying amount (net)	
Balance as at 31 March 2024	**233.33**
Balance as at 31 March 2023	-

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(Amount in Rupees lakh, unless otherwise stated)

33 Leases (cont'd)

e) 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)	3.54	6.05
Expenses relating to variable lease payments not included in lease payments	-	-
Total	**3.54**	**6.05**

f) The total cash outflow for leases for the year ended 31 March 2024 was Rs.33.37 Lakhs.

g) Future minimum lease payments are as follows:

	As on 31 March 2024		
Minimum lease payments due	**Lease payments**	**Finance charges**	**Net present values**
Within 1 year	69.68	17.63	52.05
1 - 2 years	73.85	13.17	60.67
2-3 years	73.98	7.95	66.02
3-4 years	52.93	3.44	49.49
More than 4 Years	15.66	0.24	15.42
Total	**286.10**	**42.44**	**243.65**

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Kajaria Plywood Private Limited
Notes to financial statement for the year ended 31 March 2024
(Amount in Rupees lacs, unless otherwise stated)

34. Ratios

S. No.	Ratio	Current Year	Previous Year	%age Variance	Reasons
1	Current Ratio	1.42	1.50	- 0.05	
2	Debt Equity Ratio	- 3.20	- 1.21	1.64	Fresh borrowings taken during the year for working capital facility
3	Debt Service Coverage Ratio	- 2.78	- 2.81	- 0.01	
4	Return on Equity Ratio	0.40	0.32	0.26	Fresh issue of equity shares to its holding company.
5	Inventory Turnover Ratio	36.75	NA	NA	Inventory not available in previous years
6	Trade Receivables Turnover Ratio	3.05	5.67	- 0.46	Due to increase in turnover
7	Trade Payables Turnover Ratio	5.94	6.00	- 0.01	
8	Net Capital Turnover Ratio	7.73	11.23	- 0.31	Due to increase in turnover
9	Net Profit Ratio	- 0.11	- 0.13	- 0.19	Due to increase in turnover
10	Return on Capital	- 0.31	- 0.95	- 0.67	Due to increase in turnover
11	Return on Investment	NA	NA	NA	

Kajaria Plywood Private Limited
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2024
(₹ in lakhs unless otherwise stated)

Note 35: Income tax

(a) Income tax recognised in Statement of Profit and Loss

	Year ended 31 March 2024	Year ended 31 March 2023
Current Tax:		
In respect of the current year	-	-
In respect of earlier years	-	-
Deferred Tax:		
Deferred tax	-	-
Income tax reported in the Statement of Profit and Loss	-	-

(b) Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting loss before tax	(1,134.58)	(1,036.42)
Statutory income tax rate (%)	34.32	34.32
Tax expense at statutory income tax rate of 34.32% (31 March 2023: 34.32%)	(389.39)	(355.70)
Adjustments in respect of unrecognised tax effect of:		
Unrecognised deferred tax asset on deductible temporary differences	389.39	355.70
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	-	-

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

The deferred tax asset arising during the year has not been recognized in term of prudence norms and conservative view with regard to virtual certainty of profitability in future years.

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 1 April 2023.

Note 35A : '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

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KAJARIA PLYWOOD PRIVATE LIMITED

OTHER NOTES ON ACCOUNTS

36. As at the end of the year the net worth of the company stands eroded and during the year the company has continued to incur cash losses. These conditions may cast doubt about the Company's ability to continue as a going concern. Nevertheless, the management have perception of revival of the company in subsequent years as the company is in its gestation period and management has considered the loss/erosion as aforesaid as temporary, financial statements have been prepared on going concern basis.

37. Subsequent Event: (Upto the date of signing of Balance Sheet)
    - The company has received Rs. 500 lacs towards share application money from M/s Kajaria Ceramics Limited (Holding company).
    - The board of directors of the company has approved investment of Rs. 35 crores in equity shares of Shri Vinayak Ply Industries Pvt Ltd (SVPL) for acquiring holding (Controlling Interest) of 51% in SVPL.

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

39. Previous year's figures have been regrouped/rearranged, wherever necessary to make them comparable.

For O P Bagla & Co LLP
Chartered Accountants
FRN 000018N/N500091

For and on behalf of the board

Nitin Jain
Partner
Membership No. 510841

Chetan Kajaria
Director
DIN : 00273928

Arun Bagla
Director
DIN : 00369178

Place: New Delhi
Date: 30.04.2024

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