Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi - 110 001
India
T +91 11 4500 2219
F +91 11 4278 7071

Independent Auditor's Report

To the Members of Kajaria Sanitaryware Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Kajaria Sanitaryware Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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CHARTERED ACCOUNTANTS

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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

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

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

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) Except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

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e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in, paragraph 13(b) above on reporting under section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

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

   i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2025;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;

   iv.

      a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 40(ii)(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

      b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 40(ii)(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year ended 31 March 2025; and

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Independent Auditor's Report to the members of Kajaria Sanitaryware Private Limited on the financial statements for the year ended 31 March 2025 (Cont'd)

vi. As stated in note 41 to the financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2024, 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 been operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enabled at the database level for accounting software to log any direct data changes. 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. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWAT2572

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place: New Delhi
Date: 05 May 2025

Annexure A referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Kajaria Sanitaryware Private Limited on the financial statements for the year ended 31 March 2025

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and capital work-in-progress have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 to the financial statements, are held in the name of the Company.:

(d) The Company has adopted cost model for its Property, Plant and Equipment (Including right of use assets) and intangible assets. Accordingly reporting under clause 1(i)(d) of the order is not applicable to the Company.

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) As disclosed in Note 38 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 500 lakhs by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Kajaria Sanitaryware Private Limited on the financial statements for the year ended 31 March 2025 (cont'd)

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, we report that the Company has not defaulted in repayment of loan or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained;

(d) In In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us, we report that the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Kajaria Sanitaryware Private Limited on the financial statements for the year ended 31 March 2025 (cont'd)

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

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Kajaria Sanitaryware Private Limited on the financial statements for the year ended 31 March 2025 (cont'd)

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWAT2572

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 05 May 2025

Annexure B

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

1. In conjunction with our audit of the financial statements of Kajaria Sanitaryware Private Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

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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 with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWAT2572

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 05 May 2025

Kajaria Sanitaryware Private Limited
CIN - U26914DL2012PTC236084
Balance Sheet as at 31 MARCH 2025
(Amount in Rupees Lakhs, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4,265.23	4,436.07
(b) Capital work-in-progress	3	17.18	10.86
(c) Intangible assets	4	-	-
(d) Other financial assets	5	38.09	38.09
(e) Non-current tax assets (net)	6	-	40.47
(f) Other non-current assets	7	41.15	1.50
Total non-current assets		**4,361.65**	**4,526.99**
Current assets			
(a) Inventories	8	1,618.13	1,558.98
(b) Financial assets			
(i) Trade receivables	9	1,952.92	2,055.75
(ii) Cash and cash equivalents	10	2.55	3.52
(c) Other current assets	7	121.21	59.79
Total current assets		**3,694.81**	**3,678.04**
TOTAL ASSETS		**8,056.46**	**8,205.03**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,260.00	1,260.00
(b) Other equity	12	2,195.33	1,821.84
Total equity		**3,455.33**	**3,081.84**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,900.00	2,600.00
(b) Provisions	14	17.09	15.30
(c) Deferred tax liabilities (net)	15	454.03	453.31
Total non-current liabilities		**2,371.12**	**3,068.61**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	286.95	200.49
(ii) Trade payables	16		
- Total Outstanding dues of micro and small enterprises; and		610.34	483.47
- Total Outstanding dues of creditors other than micro and small enterprises		740.21	809.85
(iii) Other financial liabilities	17	266.79	203.34
(b) Other current liabilities	18	302.59	353.72
(c) Provisions	14	6.74	3.71
(d) Current tax liabilities (net)	18A	16.39	-
Total current liabilities		**2,230.01**	**2,054.58**
TOTAL LIABILITIES		**4,601.13**	**5,123.19**
TOTAL EQUITY AND LIABILITIES		**8,056.46**	**8,205.03**

Material accounting policy information 2
Summary of material accounting policies and other explanatory information 1-44
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Nalin Jain
Partner
Membership no.: 503498

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Date : 05 May 2025
Place : New Delhi

For and on behalf of the Board of Directors of
Kajaria Sanitaryware Private Limited

Ashok Kajaria
Director
(DIN: 00273877)

Rishi Kajaria
Director
(DIN: 00228455)

Marvania. a. m

Ajaykumar Maganlal Marvania
Wholetime Director
(DIN: 06483088)

Dilip Kumar Maliwal
Chief Financial Officer

Saurav Chakraborty
Company Secretary
(ACS: A-52813)

Date : 05 May 2025
Place : New Delhi

Kajaria Sanitaryware Pvt. Ltd. *

Kajaria Sanitaryware Private Limited
CIN - U26914DL2012PTC236084
Statement of Profit and Loss for the year ended 31 March 2025
(Amount in Rupees Lakhs, unless otherwise stated)

		Notes	Year ended 31 March 2025	Year ended 31 March 2024
I	**INCOME**			
	Revenue from operations	**19**	14,105.06	13,980.43
	Other income	**20**	17.17	29.23
	TOTAL INCOME (I)		**14,122.23**	**14,009.66**
II	**EXPENSES**			
	Cost of materials consumed	**21**	1,298.25	1,321.74
	Purchase of stock-in-trade		4,031.03	3,433.04
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	**22**	(33.20)	485.54
	Employee benefits expense	**23**	3,603.19	3,484.91
	Finance costs	**24**	208.46	285.22
	Depreciation and amortisation expense	**25**	300.96	293.50
	Other expenses	**26**	4,209.28	4,142.77
	TOTAL EXPENSES (II)		**13,617.97**	**13,446.72**
III	**Profit before tax (I-II)**		**504.26**	**562.94**
IV	**Tax expense:**	**27**		
	Current Tax		131.50	122.20
	Deferred tax		0.37	23.16
V	**Profit for the year (III-IV)**		**372.39**	**417.58**
VI	**Other Comprehensive Income (OCI)**			
	Re-measurement gains on defined benefit plans		1.45	25.61
	Income tax relating to items that will not be reclassified to statement of profit or loss		(0.35)	(6.46)
	Total other comprehensive Income for the year, net of tax		**1.10**	**19.15**
VII	**Total comprehensive income for the year (comprising profit and other comprehensive income for the year) (V+ VI)**		**373.49**	**436.73**
VIII	**Earnings per equity share (face value of Rs. 10 each)**	**28**		
	(1) Basic (in Rs.)		2.96	3.31
	(2) Diluted (in Rs.)		2.96	3.31
	Material accounting policy information	2		
	Summary of material accounting policies and other explanatory information	1-44		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Nalin Jain
Partner
Membership no.: 503498

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Date : 05 May 2025
Place : New Delhi

For and on behalf of the Board of Directors of
Kajaria Sanitaryware Private Limited

Ashok Kajaria
Director
(DIN: 00273877)

Rishi Kajaria
Director
(DIN: 00228455)

Ajaykumar Maganlal Marvania
Wholetime Director
(DIN: 06483088)

Dilip Kumar Maliwal
Chief Financial Officer

Saurav Chakraborty
Company Secretary
(ACS: A-52813)

Date : 05 May 2025
Place : New Delhi

Kajaria Sanitaryware Pvt. Ltd. ★

Kajaria Sanitaryware Private Limited
CIN - U26914DL2012PTC236084
Statement of Cash Flows for the year ended 31 March 2025
(Amount in Rupees Lakhs, unless otherwise stated)

		Year ended 31 March 2025	Year ended 31 March 2024
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	504.26	562.94
	Adjusted for :		
	Depreciation and amortisation expense	300.96	293.50
	Interest income	(5.04)	(3.84)
	Gain on foreign currency transaction and translation (net)	(2.17)	(1.23)
	Insurance claim	-	(18.67)
	Excess provision written back	-	(5.49)
	Finance costs	208.46	285.22
	Provision for expected credit loss	10.77	-
	Bad debts	-	16.74
	Loss on disposal of Property, plant and equipment	-	0.02
	Operating profit before working capital changes	**1,017.24**	**1,129.19**
	Working capital adjustments:		
	Movement in trade and other receivables	30.63	(236.40)
	Movement in inventories	(59.16)	481.59
	Movement in trade payables	59.39	321.30
	Movement in other financial liabilities	63.95	(12.28)
	Movement in other current liabilities	(51.13)	60.96
	Movement in provisions	6.26	(19.37)
	Cash flow generated from operations (gross)	**1,067.18**	**1,724.99**
	Less: Direct taxes (paid)(net)	(74.64)	(80.85)
	Net cash generated from operations (A)	**992.54**	**1,644.14**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment (including capital advances, capital work-in-progress, intangible assets and payable towards property, plant and equipment)	(176.55)	(172.45)
	Proceeds from disposal of property, plant and equipment	-	0.38
	Interest received	5.04	3.84
	Net cash used in investing activities (B)	**(171.51)**	**(168.23)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of long term borrowings	(700.00)	(1,100.00)
	Proceeds/ (repayment) of short term borrowings (net)	86.46	(90.68)
	Interest paid	(208.46)	(285.22)
	Net cash used in financing activities (C)	**(822.00)**	**(1,475.90)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(0.97)**	**0.01**
	Cash and cash equivalents at the beginning of the year	3.52	3.51
	Cash and cash equivalents at the end of the year (refer note 10)	**2.55**	**3.52**
1	Components of cash and cash equivalents at the end of the year		
	Balances with banks		
	- Current accounts	-	-
	Cash on hand	2.55	3.52
		2.55	**3.52**

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Kajaria Sanitaryware Pvt. Ltd. ★

Kajaria Sanitaryware Private Limited
CIN - U26914DL2012PTC236084
Statement of Cash Flows for the year ended 31 March 2025

Note 1 This cash flow statement is presented in accordance with "indirect method" as set out in Indian Accounting Standard - 7 ' Statement of cash flows' as specified in Indian Accounting Standard Rules, 2015 (as amended)

Note 2 Net debt reconciliation
This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	Year ended 31 March 2025	Year ended 31 March 2024
Current borrowings	286.95	200.49
Non-current borrowings	1,900.00	2,600.00
Net Debt	**2,186.95**	**2,800.49**

	Current borrowings	Non-current borrowings	Total
Net debt as at 1 April 2023	291.17	3,700.00	3,991.17
Re-payments	(90.68)	(1,100.00)	(1,190.68)
Net debt as at 31 March 2024	**200.49**	**2,600.00**	**2,800.49**
Proceeds	86.46	-	86.46
Re-payments	-	(700.00)	(700.00)
Net debt as at 31 March 2025	**286.95**	**1,900.00**	**2,186.95**

Material accounting policy information 2
Summary of material accounting policies and other explanatory information 1-44
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Nalin Jain
Partner
Membership no.: 503498

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Date : 05 May 2025
Place : New Delhi

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

Ashok Kajaria
Director
(DIN: 00273877)

Rishi Kajaria
Director
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(DIN: 06483088)

Dilip Kumar Maliwal
Chief Financial Officer

Saurav Chakraborty
Company Secretary
(ACS: A-52813)

Date : 05 May 2025
Place : New Delhi

Kajaria Sanitaryware Pvt. Ltd. ★

Kajaria Sanitaryware Private Limited
CIN - U26914DL2012PTC236084
Statement of changes in equity for the year ended 31 March 2025
(Amount in Rupees Lakhs, unless otherwise stated)

a) Equity share capital

	As at 31 March 2025	As at 31 March 2024
Issued, subscribed and paid up capital (refer note 11)		
Balance at the beginning of the reporting year	1,260.00	1,260.00
Add: Changes during the year	-	-
Balance at the end of the reporting year	**1,260.00**	**1,260.00**

b) Other equity (refer note 12)

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
Balance as at 1 April 2023	1,385.11	**1,385.11**
Profit for the year	417.58	**417.58**
Items of OCI for the year, net of tax		
Re-measurement of defined benefit plans	19.15	**19.15**
Balance as at 31 March 2024	**1,821.84**	**1,821.84**
Profit for the year	372.39	**372.39**
Items of OCI for the year, net of tax		
Re-measurement of defined benefit plans	1.10	**1.10**
Balance as at 31 March 2025	**2,195.33**	**2,195.33**

Material accounting policy information	2
Summary of material accounting policies and other explanatory information	1-44

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Nalin Jain
Partner
Membership no.: 503498

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Date : 05 May 2025
Place : New Delhi

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

Ashok Kajaria
Director
(DIN: 00273877)

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Marvania, a. m

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Wholetime Director
(DIN: 06483088)

Dilip Kumar Maliwal
Chief Financial Officer

Saurav Chakraborty
Company Secretary
(ACS: A-52813)

Date : 05 May 2025
Place : New Delhi

Kajaria Sanitaryware Pvt. Ltd. ★

KAJARIA SANITARYWARE PRIVATE LIMITED.

Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025.

1. Corporate information

KAJARIA SANITARYWARE PRIVATE LIMITD ("KSPL" or "the Company") is a private limited Company domiciled in India and was incorporated on 18th May 2012. The Company is subsidiary Company of Kajaria Bathware Pvt Ltd and step subsidiary of Kajaria Ceramics Limited. The registered office of the Company is located at J-1/B-1 Extension, Mohan Coop Ind Estate, Mathura Road, New Delhi-110044, India.

The Company has forayed into manufacturing and trading of Sanitaryware items. The Company started its operations in the year 2014. The plant of the Company is located at Morbi (Gujarat). It has manufacturing capacity of 7.80 lacs pieces per annum.

The financial statements for the year ended 31 March 2025 were authorised in accordance with a resolution of Board of Directors on 05 May 2025.

2. Application of Indian Accounting Standard (Ind AS)

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

2.1 Application of Indian Accounting Standard (Ind AS)

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

2.2 Material accounting policies and other explanatory information

A. Basis of preparation of financial statements:

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

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

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

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Kajaria Sanitaryware Pvt. Ltd. ★

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

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

B. Overall considerations

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

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

C. Material accounting policies

a Current versus non-current classification

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

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

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

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

The Company classifies all other liabilities as non-current.

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

b. Revenue Recognition

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

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

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

Interest income
Interest income is recognised using effective interest method.

c. Inventories

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

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

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

d. Property, plant and equipment

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

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

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

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

Capital work-in-progress and capital advances

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

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

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Kajaria Sanitaryware Pvt. Ltd.

Depreciation

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

Particulars	Useful lives
Plant and machinery	8 and 15 years

Freehold land is not depreciated.

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

De-recognition

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

e. Intangible Assets

Measurement and recognition

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

Amortisation

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

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

De-recognition

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

f. Research and development costs

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

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

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Kajaria Sanitaryware Pvt. Ltd.

g Borrowing costs

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

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

h. Foreign currency transactions

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

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

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

i Taxes on income

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

Current tax

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

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

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

Deferred tax

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

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Kajaria Sanitaryware Pvt. Ltd.

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

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

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

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

j. Employee benefits

Short term employee benefits:

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

Post-employment benefits:

I. Defined contribution plans:

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

II. Defined benefit plans:

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

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

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

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Kajaria Sanitaryware Pvt. Ltd.

Other long-term employee benefits:

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

k. Segment reporting

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

l. Provisions, contingent liabilities and contingent assets

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

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

Contingent liability is disclosed in the case of:

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

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

m. Earnings per share

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

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

n. Cash and cash equivalents

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

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

o. Financial instruments

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

a) **Financial assets**

Classification

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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, Trade Receivables that does not contain a significant financial component are measured at transaction price.

Subsequent measurement

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

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

De-recognition

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

Impairment of financial assets

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

b) **Financial liabilities**

Classification

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

Initial recognition and measurement

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Kajaria Sanitaryware Pvt. Ltd.

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

Subsequent measurement

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

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Financial liabilities at fair value through profit or loss

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

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

De-recognition

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

Offsetting of financial instruments

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

Derivative financial instruments

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

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

p Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying

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amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

q Fair value measurement

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

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

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

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

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

r Significant accounting judgements, estimates and assumptions

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

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

Judgements

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

Contingencies

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

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Estimates and assumptions

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

(a) Impairment of non-financial assets

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

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

(b) Defined benefit plans

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

(c) Useful lives of depreciable/amortisable assets

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

(d) Fair value measurement of financial instruments

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

(e) Impairment of financial assets

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

(f) Estimation of current tax and deferred tax

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

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

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

s. Recent 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 31 March 2025, 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

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Gross Carrying amount :								
As at 1 April 2023	186.16	2,602.05	3,129.34	35.45	55.94	21.05	4.81	6,034.80
Additions	-	52.02	103.89	-	-	2.96	2.70	161.57
Disposal	-	-	0.31	-	4.34	0.78	0.11	5.54
As at 31 March 2024	**186.16**	**2,654.07**	**3,232.92**	**35.45**	**51.60**	**23.23**	**7.40**	**6,190.83**
Additions	-	27.02	100.87	-	0.00	1.36	0.87	130.12
Disposal	-	-	-	-	-	-	-	-
As at 31 March 2025	**186.16**	**2,681.09**	**3,333.79**	**35.45**	**51.60**	**24.59**	**8.27**	**6,320.95**
Accumulated Depreciation :								
As at 1 April 2023	-	456.93	952.63	23.51	17.38	11.80	4.44	1,466.69
Depreciation for the year	-	77.70	203.77	3.27	5.99	2.30	0.18	293.21
Disposal	-	-	0.19	-	4.12	0.73	0.10	5.14
As at 31 March 2024	**-**	**534.63**	**1,156.21**	**26.78**	**19.25**	**13.37**	**4.52**	**1,754.76**
Depreciation for the year	-	82.09	207.13	2.18	5.99	2.57	1.00	300.96
Disposal	-	-	-	-	-	-	-	-
As at 31 March 2025	**-**	**616.72**	**1,363.34**	**28.96**	**25.24**	**15.94**	**5.52**	**2,055.72**
Net Carrying amount :								
As at 31 March 2025	**186.16**	**2,064.37**	**1,970.45**	**6.49**	**26.36**	**8.65**	**2.75**	**4,265.23**
As at 31 March 2024	**186.16**	**2,119.44**	**2,076.71**	**8.67**	**32.35**	**9.86**	**2.88**	**4,436.07**

Capital Work-in-Progress ('CWIP')
Capital work-in-progress amounting to Rs. 17.18 crores (31 March 2024 : Rs. 10.86 crores) mainly pertains to machinery pending installation and civil work being carried on at the plants of the Company.

Details of Capital Work in Progress (CWIP) movement and ageing is as below:

Particulars	Amount
As at 01 April 2023	-
Add: Additions	108.89
Less: Capitalisations	(98.03)
As at 31 March 2024	**10.86**
Add: Additions	124.52
Less: Capitalisations	(118.20)
As at 31 March 2025	**17.18**

Ageing of CWIP

	As at 31 March 2025				
Capital work-in-progress	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	17.18	-	-	-	**17.18**

	As at 31 March 2024				
Capital work-in-progress	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	10.86	-	-	-	**10.86**

Note : Title deeds of all the immovable property held by the Company are in the name of the Company.
There are no such project under capital work in progress whose completion is overdue or has exceeded it's cost compared to its original plan as of 31 March 2025.

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Note 4 : Intangible assets

Particulars	Softwares	Total
Gross carrying amount :		
As at 1 April 2023	5.88	5.88
Additions	-	-
As at 31 March 2024	**5.88**	**5.88**
Additions	-	-
Disposal	-	-
As at 31 March 2025	**5.88**	**5.88**
Accumulated amortisation :		
As at 1 April 2023	5.59	5.59
Amortisation charge for the year	0.29	0.29
Disposal	-	-
As at 31 March 2024	**5.88**	**5.88**
Amortisation charge for the year	-	-
Disposal	-	-
As at 31 March 2025	**5.88**	**5.88**
Net carrying amount :		
As at 31 March 2025	-	-
As at 31 March 2024	-	-

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(Amount in Rupees Lakhs, unless otherwise stated)

Note 5: Other Financial Assets

	Non-Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Unsecured, Considered good - (at amortised cost)				
Security deposits	38.09	38.09	-	-
	38.09	**38.09**	**-**	**-**

Security Deposit are non derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties
No loan are due from directors or other officers of the Company either severally or jointly with any other person.

Note 6: Non-current tax assets (net)

	Non-Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Non-current tax assets (net of provisions)	-	40.47	-	-
	-	**40.47**	**-**	**-**

Note 7: Other assets

	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Prepaid expenses	-	-	12.73	5.42
Capital Advances	41.15	1.50	-	-
Advance to contractors and suppliers other than capital advances	-	-	53.93	-
Advance to employees	-	-	49.96	51.36
Balance with statutory authorities	-	-	4.59	3.01
	41.15	**1.50**	**121.21**	**59.79**

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Note 8 : Inventories (Valued at lower of cost or net realisable value)

	As at 31 March 2025	As at 31 March 2024
Raw materials	69.87	68.81
Work-in-progress	698.62	865.36
Finished goods	359.46	282.49
Stock-in-trade	385.41	262.44
Stores and spares	59.51	51.79
Packing materials	45.26	28.09
	1,618.13	1,558.98

Note 9 :Trade receivables

	As at 31 March 2025	As at 31 March 2024
Considered good - unsecured	1,952.92	2,055.75
Credit impaired	10.77	-
Less: Allowance for expected credit losses	(10.77)	-
	1,952.92	**2,055.75**
Amount due from related parties (refer note 31)	0.05	2.90

Note:

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

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

Particulars	As at 31 March 2025						
	Outstanding for the following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More Than 3 years	
(I) Undisputed Trade receivables - considered good	1,262.33	611.04	50.64	4.26	21.83	2.82	1,952.92
(ii) Undisputed Trade receivables - credit impaired	-	-	2.68	0.75	7.29	0.05	10.77
Less : Allowance for expected credit losses	-	-	(2.68)	(0.75)	(7.29)	(0.05)	(10.77)
	1,262.33	**611.04**	**50.64**	**4.26**	**21.83**	**2.82**	**1,952.92**

Particulars	As at 31 March 2024						
	Outstanding for the following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More Than 3 years	
(I) Undisputed Trade receivables - considered good	1,223.97	726.92	47.24	47.45	-	10.17	2,055.75
(ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Allowance for expected credit losses	-	-	-	-	-	-	-
	1,223.97	**726.92**	**47.24**	**47.45**	**-**	**10.17**	**2,055.75**

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Note 10 : Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Balance with banks		
- In current accounts	-	-
Cash on hand	2.55	3.52
	2.55	**3.52**

Note :

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

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	As at 31 March 2025	As at 31 March 2024
Note 11 : Equity Share Capital		
Authorised :		
1,50,00,000 (31 March 2024 : 1,50,00,000) equity shares of Rs. 10 each	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued and subscribed:		
1,26,00,000 (31 March 2024 : 1,26,00,000)equity shares of Rs. 10 each	1,260.00	1,260.00
	1,260.00	**1,260.00**

A) There is no change in authorised, issued and subscribed share capital during the current year and previous year.

B) 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 proportionate to their shareholding.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilties. The distribution will be in proportion to the number of equity shares held by the share holders.

C) Kajaria Ceramics Limited is a ultimate holding company of the Company and Kajaria Bathware Private Limited is a holding company of the Company. Shares held by such holding company are mentioned in (D) hereunder. There is no subsidiary company.

D) Detail of the Shareholders holding more than 5% shares in the Company and shares held by Holding Company

	As at 31 March 2025		As at 31 March 2024	
	Number of shares held	% of holding	Number of shares held	% of holding
Kajaria Bathware Private Limited	1,03,32,000	82.00	1,03,32,000	82.00
Ajay Kumar Maganbhai Marvania	9,20,000	7.30	9,20,000	7.30

E) No shares have been issued as bonus shares or issued for consideration other than cash or bought back during the period of five years immediately preceding the reporting date.

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(Amount in Rupees Lakhs, unless otherwise stated)

Note 12 : Other equity

	As at 31 March 2025	As at 31 March 2024
Retained earnings		
Balance at the beginning of the year	1,821.84	1,385.11
Profit for the year	372.39	417.58
Items of OCI for the year, net of tax	1.10	19.15
Balance at the end of the year	**2,195.33**	**1,821.84**

Nature and purpose of reserve

Retained earnings

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

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Note 13 : Borrowings

	Non-Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Working capital facilities				
From banks (secured)	-	-	286.95	200.49
Inter corporate loans (unsecured) *	1,900.00	2,600.00	-	-
Total borrowings	**1,900.00**	**2,600.00**	**286.95**	**200.49**

TERMS OF BORROWINGS

Working capital facilities
Secured against Hypothecation of entire raw materials, stock in processs, stores & spares, packing materials, finished goods and book debts of the company, both present & future. Rate of Interest is 0.65% above MCLR. Present interest rate is 8.80% p.a. (Previous Year - 8.95% p.a)

*** Inter corporate loans:**
M/s Kajaria Ceramics Limited - the ultimate holding company, bearing interest @ 8% p.a (PY: 8% p.a.)

Other Note :
(i) Working capital facility is further secured by guarantee of Ultimate Holding Company, Directors and Shareholders of the Company.
(ii) The above loans have been utilised as per the purpose for these loans were sanctioned.
(iii) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Note 14 : Provisions

	Non-Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits obligations - (refer note 34)	17.09	15.30	6.74	3.71
	17.09	**15.30**	**6.74**	**3.71**

Note 15 : Deferred tax liabilities

	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilties on :		
Temporary differences of book and tax depreciation of property, plant and equipment	463.23	458.28
Deferred tax assets on :		
Other	(9.20)	(4.97)
Deferred tax liabilities (net)	**454.03**	**453.31**

Movement in deferred tax liabilities and deferred tax assets

	Property, plant and equipments	Others	Total
As at 1 April 2023	**442.07**	**(11.92)**	**430.15**
Charged/(credited) to the statement of Profit or Loss	16.21	6.95	23.16
Charged/(credited) to other comprehensive income	-	-	-
As at 31 March 2024	**458.28**	**(4.97)**	**453.31**
Charged/(credited) to the statement of Profit or Loss	4.95	(4.58)	0.37
Charged/(credited) to other comprehensive income	-	0.35	0.35
As at 31 March 2025	**463.23**	**(9.20)**	**454.03**

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Note 16 : Trade payables

	As at 31 March 2025	As at 31 March 2024
Trade payables		
- Total Outstanding dues of micro and small enterprises; and	610.34	483.47
- Total Outstanding dues of creditors other than micro and small enterprises	740.21	809.85
	1,350.55	**1,293.32**

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

Particulars	As at 31 March 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- Total outstanding dues of micro enterprises and small enterprises	610.34	-	-	-	**610.34**
- Total outstanding dues of creditors other than micro enterprises and small enterprises	732.08	-	8.13	-	**740.21**
	1,342.42	**-**	**8.13**	**-**	**1,350.55**

Particulars	As at 31 March 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- Total outstanding dues of micro enterprises and small enterprises	483.47	-	-	-	**483.47**
- Total outstanding dues of creditors other than micro enterprises and small enterprises	800.87	-	8.98	-	**809.85**
	1,284.34	**-**	**8.98**	**-**	**1,293.32**

Note: There are no unbilled dues.

Note 17 : Other financial liabilities

	As at 31 March 2025	As at 31 March 2024
Creditors for capital goods	2.29	2.77
Interest bearing deposits from customers	46.10	46.85
Employee Payable	218.40	153.72
	266.79	**203.34**

Note 18 : Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Advance from Customers	118.89	142.45
Statutory dues Payable	183.70	211.27
	302.59	**353.72**

Note 18A : Current tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024
Current tax liabilities (net)	16.39	-
	16.39	**-**

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Note 19 : Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of products - Sanitaryware and other allied products	14,105.06	13,980.43
Other operating income - Scrap sale	-	-
	14,105.06	**13,980.43**

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

a) Disaggregation of revenue:

Revenue arises mainly from the sale of manufactured and traded goods. The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Year ended 31 March 2025

	Revenue from sale of Sanitaryware Product	Other operating revenue	Total
Revenue by geography			
Domestic	14,073.50	-	14,073.50
Export	31.56	-	31.56
Total	**14,105.06**	**-**	**14,105.06**
Revenue by time			
Revenue recognized at point in time			14,105.06
Revenue recognized over time			-
			14,105.06

Year ended 31 March 2024

	Revenue from sale of Sanitaryware Product	Other operating revenue	Total
Revenue by geography			
Domestic	13,949.04	-	13,949.04
Export	31.39	-	31.39
Total	**13,980.43**	**-**	**13,980.43**
Revenue by time			
Revenue recognized at point in time			13,980.43
Revenue recognized over time			-
			13,980.43

Sale of product are net of discounts amounting to Rs. 894.34 Lakhs (31st March 2024 : Rs.868.76 Lakhs) which has been issued to customer after invoices.

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

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Contract liabilities related to sale of goods		
Advance from customers	118.91	142.45
Trade receivables	1,952.92	2,055.75

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

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

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

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

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Kajaria Sanitaryware Pvt. Ltd. ★

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(d) Significant changes in contract assets and liabilities:
The change in contract liabilities (advances received from customer) during the year:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Contract liabilities (Advance from customers)		
Opening balance	142.45	87.73
Revenue recognised during the year	142.45	87.73
Addition during the year (net)	118.91	142.45
Closing balance	**118.91**	**142.45**

Note 20 : Other Income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest Income on:		
- Fixed deposits with banks	5.04	1.12
- Refund on Income Tax	-	2.72
Net gain on foreign currency transaction and translation	2.17	1.23
Other income:	9.96	24.16
	17.17	**29.23**

Note 21 : Cost of materials consumed

	Year ended 31 March 2025	Year ended 31 March 2024
Body Material	555.66	581.28
Glaze, frits and chemicals	330.05	324.21
Packing Material	412.54	416.25
	1,298.25	**1,321.74**

Note 22 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31 March 2025	Year ended 31 March 2024
Opening Stock		
Finished goods	282.49	380.18
Stock-in-trade	262.44	229.97
Work-in-Progress	865.36	1,285.68
Total-A	**1,410.29**	**1,895.83**
Closing stock		
Finished goods	359.46	282.49
Stock-in-trade	385.41	262.44
Work-in-Progress	698.62	865.36
Total-B	**1,443.49**	**1,410.29**
Changes in inventories of finished goods, stock-in-trade and work-in-progress (A-B)	**(33.20)**	**485.54**

Note 23 : Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salary, wages, bonus and allowance (including management charges)	3,582.90	3,465.64
Contribution to provident fund and other funds*	5.58	5.77
Staff Welfare expenses	14.71	13.50
	3,603.19	**3,484.91**

* Refer Note 34 for details

Note 24 : Finance Costs

	Year ended 31 March 2025	Year ended 31 March 2024
Interest on debts and borrowings	22.86	15.73
Interest on unsecured loans	183.89	247.12
Other ancillary borrowing costs	1.71	22.37
	208.46	**285.22**

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Note 25 : Depreciation and amortization expense

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of property, plant and equipment (refer to note 3)	300.96	293.50
	300.96	**293.50**

Note 26 : Other expenses

	Year ended 31 March 2025	Year ended 31 March 2024
Power and fuel	1,460.57	1,429.52
Freight, handling and distribution expenses	1,200.67	1,171.47
Stores and spares consumed	485.80	493.93
Repair and Maintenance:		
- Buildings	7.91	9.60
- Plant and equipment	51.45	73.37
- Others	0.50	1.19
Payment to auditor's as:		
- Auditors (refer note 37)	10.88	8.00
Legal and professional expenses	35.62	27.98
Communication expense	1.01	0.97
Rent	30.00	25.00
Advertisement, publicity and sales promotion	831.04	827.36
Rates and taxes	8.61	0.81
Printing and stationary	9.69	5.89
Insurance charges	11.89	14.09
Security Charges	3.84	3.74
Travelling and conveyance	14.75	6.54
Vehicle running and maintenance expenses	10.19	6.60
Net Loss on disposal of property, plant and equipment	-	0.02
Provision for expected credit loss	10.77	-
CSR activity expenses	16.60	15.68
Bad Debts	-	16.74
Miscellaneous expenses	7.49	4.27
	4,209.28	**4,142.77**

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Note -27 Income tax expense

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Income-tax expense debited to statement of profit and loss		
Current tax		
Current tax on profits for the year	131.50	122.20
Total current tax expense	**131.50**	**122.20**
Deferred tax		
Deferred tax charge/(credit) for the year	0.37	23.16
	0.37	**23.16**
Total tax expense	**131.87**	**145.36**
(b) Income-tax expense charged/(credited) to other comprehensive income		
Current tax		
Current tax charge/(credit) for the year	(0.35)	(6.46)
Total tax expense	**(0.35)**	**(6.46)**

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

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax	504.26	562.94
Tax at the Indian tax rate of 25.168%(31 March 2022: 25.168%)	126.91	141.68
Expenses not allowed as deduction	4.22	3.68
	131.13	**145.36**

Note -28 Earning per share

Earning per share

Earnings per share (EPS) as per Ind AS-33 is calculated as under :

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

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

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

	Year ended 31 March 2025	Year ended 31 March 2024
Profit attributable to equity holders of the Company for basic earnings (Rs in lakhs) for the year	372.39	417.58
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	1,26,00,000.00	1,26,00,000.00
Weighted average number of equity shares in calculating diluted earnings per share (refer note below) (Nos.)	1,26,00,000.00	1,26,00,000.00
Earning Per Share		
Basic (Rs.)	2.96	3.31
Diluted (Rs.)	2.96	3.31
Face value per share (Rs)	10.00	10.00

* There no dilutive potential equity shares as the end of the reporting year and previous year.

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(Amount in Rupees Lakhs, unless otherwise stated)

Note - 29
Dues to Micro and Small Enterprises

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the 'Suppliers' regarding their status under the Act.

		As at 31 March 2025	As at 31 March 2024
(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#	610.34	483.47
	Interest due on above	-	-
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

Note -30 Segment Reporting

According to Ind AS 108 'Operating Segment', identification of business segments is based on Chief Operating Decision Maker ('CODM') approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one broad business segment viz. "Manufacturing and Trading of sanitaryware items" and substantially sale of the product is within the country. Further, substantially all of the non-current assets (except financial assets) are within the country. Also, there is no single major customer. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" as specified in Companies (Indian Accounting Standard) Rules, 2016 (as amended) is not considered applicable.

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Note -31 Related party disclosures as per Ind AS 24 - Related Party disclosures

A List of related parties as per Ind AS 24

(a)

Name of the related party	Relationship
Kajaria Ceramics Limited	Ultimate Holding Company
Kajaria Bathware Private Limited	Holding Company
Kerovit Global Private Limited	Fellow Subsidiary Company

(b) Key management personnel:

Name	Designation
Ashok Kumar Kajaria#	Director
Rishi Kajaria#	Director
Ajaykumar Maganlal Marvania#	Whole Time Director
Bimal Kumar Ruia#	Director
Saurav Chakraborty#	Company Secretary
Dilip Kumar Maliwal#	Chief Financial Officer

 # Key Management Personnel (KMP) as defined under Section 2(51) of the Companies Act, 2013

B Transactions during the year:

	Year ended 31 March 2025	Year ended 31 March 2024
Kajaria Bathware Private Limited		
Salary, wages, bonus and allowance (including management charges)	1,800.00	1,800.00
Advertisement, publicity and sales promotion	800.00	800.00
Reimbursement of Expenses/ (Claim of Expenses Incurred)	(28.78)	(30.66)
		-
Kajaria Ceramics Limited		
Interest paid	183.89	247.12
Repayment of loan	(700.00)	(1,100.00)
Corporate Guarantee	0.50	-
Sale of Goods	-	0.64
Kerovit Global Private Limited		
Sale of Goods	2.59	2.90
Reimbursement of Expenses/ (Claim of Expenses Incurred)	10.86	-
Mr. Ajay Maganbhai Marvania		
Remuneration Paid	66.00	66.00

C Balance outstanding at the end of the year

	Year ended 31 March 2025	Year ended 31 March 2024
Kajaria Bathware Private Limited	243.20	
Ultimate Holding Company - Kajaria Ceramics Limited		
- Borrowings	1,900.00	2,600.00
- Corporate Guarantee	0.50	
Kerovit Global Private Limited		
Sale of Goods	0.05	2.90
Mr. Ajay Maganbhai Marvania		
Salary payable	5.50	5.50

Notes: All the related party transactions were made on terms equivalent to those that prevail in arm's length transactions.
Outstanding balances at the year-end are unsecured and settlement occurs in cash.

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Kajaria Sanitaryware Pvt. Ltd.

Note - 32

Financial risk management objectives and policies

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

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 includee borrowings, trade payables, interest bearing deposits, loans and derivative financial instruments.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2025 and 31 March 2024.

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

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2025 and 31 March 2024.

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.

Particulars	As at 31 March 2025	As at 31 March 2024
Fixed rate borrowings	1,900.00	2,600.00
Variable rate borrowings	286.95	200.49
	2,186.95	**2,800.49**

	Year ended 31 March 2025			Year ended 31 March 2024		
	Increase/ decrease in basis points	Effect on profit before tax	Effect on Equity (net of tax)	Increase/ decrease in basis points	Effect on profit before tax	Effect on Equity (net of tax)
INR Lakhs	+50	(1.22)	(0.92)	+50	(0.81)	(0.60)
INR Lakhs	-50	1.22	0.92	-50	0.81	0.60

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 at 31 March 2025 and 31 March 2024.

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II. Credit risk

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

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

A. Trade receivables

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

At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 9.

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

Movement in allowance for expected credit losses on trade receivable:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	-	-
Add: Allowance provided during the year	10.77	-
Less: allowance reversed during the year	-	-
Balance at the end of the year	**10.77**	**-**

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 Lakhs)

	Upto 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2025				
Borrowings	286.95	1,900.00	-	2,186.95
Trade payables	1,350.55	-	-	1,350.55
Other financial liabilities	266.80	-	-	266.80
	1,904.30	**1,900.00**	**-**	**3,804.30**
As at 31 March 2024				
Borrowings	200.49	2,600.00	-	2,800.49
Trade payables	1,293.30	-	-	1,293.30
Other financial liabilities	203.33	-	-	203.33
	1,697.12	**2,600.00**	**-**	**4,297.12**

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.

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(Amount in Rupees Lakhs, unless otherwise stated)

Note: 33 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 in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025.

Particulars	At at 31 March 2025	At at 31 March 2024
Borrowings	2,186.95	2,800.49
Less: Cash and cash equivalents	(2.55)	(3.52)
Net debts A	**2,189.51**	**2,804.01**
Total Equity B	**3,455.33**	**3,081.84**
Gearing ratio (A/B)	**63%**	**91%**

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Note - 34

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. 5.58 lacs (31 March 2024 : Rs. 5.77 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 accounts 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 2025	31 March 2024
Defined benefit obligation at the beginning of the year	19.01	38.38
Current service cost	4.88	3.36
Interest cost	1.38	2.88
Benefits paid	-	-
Actuarial (gain)/ loss on obligations - OCI	(1.45)	(25.61)
Defined benefit obligation at the end of the year	**23.82**	**19.01**

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

	31 March 2025	31 March 2024
Fair value of plan assets	-	-
Defined benefit obligation	23.82	19.01
Amount recognised in the Balance Sheet	**23.82**	**19.01**
Current	**6.74**	**3.71**
Non Current	**17.09**	**15.30**

Amount recognised in Statement of Profit and Loss:

	31 March 2025	31 March 2024
Current service cost	4.88	3.36
Interest cost	1.38	2.88
Amount recognised in Statement of Profit and Loss	**6.26**	**6.24**

Amount recognised in Other Comprehensive Income:

	31 March 2025	31 March 2024
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gain)/losses from changes in financial assumptions	0.19	0.16
Experience adjustments (gain)/loss for plan liabities	(1.64)	(25.77)
Amount recognised in Other Comprehensive Income	**(1.45)**	**(25.61)**

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

	31 March 2025	31 March 2024
Discount rate	7.00%	7.25%
Future salary increases	5.00%	5.00%
Attrition Rate	20.00%	20.00%
Retirerment age	58 years	60 years
Mortality	IALM 2012-14	IALM 2012-14

A quantitative sensitivity analysis for significant assumption

Gratuity plan	**Sensitivity level**	**Impact on Defined benefit**

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	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Assumptions				
Discount rate	+1%	+1%	(0.89)	(0.75)
	-1%	-1%	0.94	0.82
Future salary increases	+1%	+1%	0.95	0.83
	-1%	-1%	(0.91)	(0.77)
Withdrawal rate	+1%	+1%	(0.00)	0.03
	-1%	-1%	(0.02)	(0.03)

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 2025	31 March 2024
Within next 12 months (next annual reporting period)	6.74	3.71
Between 1 and 5 years	4.58	3.55
Beyond 5 years	12.50	11.76
Total expected payments	**23.82**	**19.02**

The average duration of the defined benefit plan obligation at the end of the reporting period is 21 years (31 March 2024 : 25 Years).

Expected contribution for next year is Rs. 5.90 lacs (Previous year Rs. 5.71 lacs)

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Note 35.: Ratio Analysis

S.No.	Ratio	Numerator	Denominator	Current Year as on 31.03.25	Numerator	Denominator	Previous Year as on 31.03.24	Variance (%age)	Reasons
1	Current Ratio	Current Assets	Current Liabilities	1.66	3,678.04	2,054.58	1.79	-7%	N/a
2	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.63	2,800.49	3,081.84	0.91	-30%	Mainly due to Debt Re-payment during FY 2024-25.
3	Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after taxes + Non Cash operating expenses	Debt Service = Interest & Lease Payments+ Principal Repayments	0.97	973.94	1,362.85	0.71	36%	Mainly due to Debt Re-payment and Reduce in Profit during FY 2024-25.
4	Return on Equity Ratio	Net Profits after taxes- Preference Dividend	Average Shareholder's Equity	0.11	417.58	2,863.48	0.15	-22%	N/a
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	4.56	7,163.78	1,799.76	3.98	15%	N/a
6	Trade Receivables Turnover Ratio	Net Credit Sales = Gross credit sales- sales return	Average Trade Receivable	7.02	14,009.66	1,945.44	7.20	-2%	N/a
7	Trade Payable Turnover Ratio	Net Credit purchases = Gross credit purchases- purchase return	Average Trade Payables	7.22	8,897.55	1,132.66	7.86	-8%	N/a
8	Net Capital Turnover Ratio	Net Sales =Total sales- sales return	Working Capital = Current assets - Current liabilities	9.64	14,009.66	1,623.46	8.63	12%	N/a
9	Net Profit Ratio	Net Profit	Net Sales = Total sales - sales return	2.64%	417.58	14,009.66	2.98%	-12%	N/a
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability.	11.69%	848.16	6,335.64	13.39%	-13%	N/a

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Note 36 Corporate social responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company was required to spend ₹ 16.55 Lakhs (31 March 2024 : ₹ 15.17 Lakh) for Corporate Social Responsibility activities. The Company has incurred CSR expenditure of ₹ 16.60 Lakhs during the current financial year (31 March 2024 : ₹ 15.68 lakhs) on the projects/activities for the benefit of the public in general and in the neighbourhood of the manufacturing facilities of the Company.

		Year ended 31 March 2025	Year ended 31 March 2024
	Amount required to be spent by the Company during the year	16.55	15.17
	Amount of expenditure incurred on:		
(i)	Construction/acquisition of any asset		
	Paid in cash	-	-
	Other than cash	-	-
(ii)	On purposes other than (i) above		
	Paid in cash	16.60	15.68
	Other than cash	-	-
		16.60	**15.68**
	Shortfall at the end of the year	-	-
	Total of previous years shortfall	-	-
	Reason for shortfall	NA	NA
	Nature of CSR activities	Education, healthcare and empowerment programs	
	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

Note 37 Payment to auditor's as:

	As at 31 March 2025	As at 31 March 2024
Payment to auditor's as:		
- Auditors	10.50	8.00
- For re-imbursement of expense	0.38	-

Note 38 Reporting to banks

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

Note 39 Asset pledged as security (refer note 14)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Current		
Inventories	1,618.13	1,558.98
Trade receivables	1,952.92	2,055.75
	3,571.05	**3,614.73**

Note 40 Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Details of Benami property:

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

(ii) Utilisation of borrowed funds and share premium:

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

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

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

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

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

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

Kajaria Sanitaryware Pvt. Ltd.

(iii) Compliance with number of layers of companies:
The Company has complied with the number of layers prescribed under the Companies Act, 2013

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

(v) Details of crypto currency or virtual currency:
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of PP&E, intangible asset and investment property:
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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

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

Note 41: The Ministry of Corporate Affairs (MCA) has prescribed a 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 account, shall use only 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 Company has used accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended 31 March 2025, the Company has not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes on account of recommendation in the accounting software administration guide which states that enabling the same all the time consume storage space on the disk and can impact database performance significantly.

Note 42: Struck off companies
There are no transactions with Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Kajaria Sanitaryware Pvt. Ltd. ★

Kajaria Sanitaryware Private Limited
CIN - U26914DL2012PTC236084
Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025
(Amount in Rupees Lakhs, unless otherwise stated)

Note 43: The figures of the previous year have been re-classified according to current year classification wherever required. The impact of the same is not material to the users of the financial statements.

Note 44: The financial statements for the year ended 31 March 2025 were approved by the Board of Directors on 05 May 2025.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. 001076N/N500013

Nalin Jain
Partner
Membership no.: 503498

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Date : 05 May 2025
Place : New Delhi

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

Marvania. a. m.

Ashok Kajaria
Director
(DIN: 00273877)

Rishi Kajaria
Director
(DIN: 00228455)

Ajaykumar Maganlal Marvania
Wholetime Director
(DIN: 06483088)

Dilip Kumar Maliwal
Chief Financial Officer

Saurav Chakraborty
Company Secretary
(ACS: A-52813)

Date : 05 May 2025
Place : New Delhi

Kajaria Sanitaryware Pvt. Ltd. ★