# KAJARIA INTERNATIONAL DMCC

## DUBAI, UNITED ARAB EMIRATES

## FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

## FOR THE YEAR ENDED MARCH 31, 2025

| CONTENTS | PAGE |
|---|---|


FALCON INTERNATIONAL
CONSULTING & AUDITING L.L.C - DUBAI BRANCH

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## INDEPENDENT AUDITOR'S REPORT

To
The Shareholders
**M/s. KAJARIA INTERNATIONAL DMCC**
**Unit No: AG-PF-227,**
**AG Tower,**
**Plot No: JLT-PH1-I2A,**
**Jumeirah Lakes Towers,**
**Dubai, United Arab Emirates.**

**Opinion**

We have audited the financial statements **M/s. Kajaria International DMCC, Dubai, U.A.E. (the "Company")**, which comprise the statement of financial position as at **March 31, 2025** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **March 31, 2025**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged With Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

*continued...*



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

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 ISAs 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.

As part of an audit in accordance with ISAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- 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.

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.

*continued...*

**Report on Other Legal and Regulatory Requirements**

As required by the DMCCA Company Regulations- 2024 (Amended), we report that:

i. we have obtained all the information and explanations we considered necessary for the purpose of our audit;
ii. the Company has maintained proper books of account;
iii. Activities undertaken by company are not different then activities permitted under license issued by DMCCA.

We confirm that the financial statements comply with provisions of implementing Regulation No.1/03 issued by the Dubai Multi Commodities Center.

**For FALCON INTERNATIONAL CONSULTING & AUDITING**
**Chartered Accountants**

Rakesh Jain

**Managing Partner**
**(Rakesh Jain)**
**Reg. No: 606**

P.O. Box: 44624
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**May 05, 2025**



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## KAJARIA INTERNATIONAL DMCC
## DUBAI, UNITED ARAB EMIRATES

### STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2025/ 31 DECEMBER 2024/ / 31 MARCH 2024

| | Notes | 31-03-2025 AED | 31-12-2024 AED | 31-03-2024 AED | 31-03-2025 AED | 31-03-2024 AED |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **NON-CURRENT ASSETS** | | | | | | |
| Investments | 5 | 882,081 | 382,484 | 1,291,195 | 882,081 | 1,291,195 |
| | | 882,081 | 382,484 | 1,291,195 | 882,081 | 1,291,195 |
| **CURRENT ASSETS** | | | | | | |
| Other receivables | 6 | 1,484,026 | 5,945,883 | 2,486,276 | 1,484,026 | 2,486,276 |
| Cash and cash equivalents | 7 | 55,115 | 556,314 | 83,107 | 55,115 | 83,107 |
| | | 1,539,141 | 6,502,197 | 2,569,383 | 1,539,141 | 2,569,383 |
| **TOTAL ASSETS** | | 2,421,222 | 6,884,681 | 3,860,578 | 2,421,222 | 3,860,578 |
| **EQUITY & LIABILITIES** | | | | | | |
| **EQUITY** | | | | | | |
| Share capital | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Accumulated loss | 8 | (8,695,872) | (4,034,994) | (528,686) | (8,695,872) | (528,686) |
| | | (7,695,872) | (3,034,994) | 471,314 | (7,695,872) | 471,314 |
| **NON-CURRENT LIABILITIES** | | | | | | |
| Due to related party | 9 | 10,044,537 | 9,400,000 | 3,300,000 | 10,044,537 | 3,300,000 |
| | | 10,044,537 | 9,400,000 | 3,300,000 | 10,044,537 | 3,300,000 |
| **CURRENT LIABILITIES** | | | | | | |
| Other payables | 10 | 72,557 | 519,675 | 89,264 | 72,557 | 89,264 |
| | | 72,557 | 519,675 | 89,264 | 72,557 | 89,264 |
| **TOTAL LIABILITIES** | | 10,117,094 | 9,919,675 | 3,389,264 | 10,117,094 | 3,389,264 |
| **TOTAL EQUITY AND LIABILITIES** | | 2,421,222 | 6,884,681 | 3,860,578 | 2,421,222 | 3,860,578 |

The accompanying notes form an integral part of these financial statements.

The report of the Independent auditor is set out on page 1 to 3.

**Approved by the shareholder on May 05, 2025**

For KAJARIA INTERNATIONAL DMCC

Pankaj Sethi

Director



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## KAJARIA INTERNATIONAL DMCC
## DUBAI, UNITED ARAB EMIRATES

### STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025/ 31 DECEMBER 2024/ 31 MARCH 24

| | Notes | 01.01.25 To 31.03.25 AED | 01.10.24 To 31.12.24 AED | 01.01.24 To 31.03.24 AED | 01.04.24 To 31.03.25 AED | 01.04.23 To 31.03.24 AED |
|---|---|---|---|---|---|---|
| **Expenses** | | | | | | |
| General & administrative expenses | 11 | 403,593 | 18,579 | 26,730 | 459,613 | 86,017 |
| Finance cost | 12 | 185,916 | 188,473 | 54,249 | 592,551 | 136,109 |
| Realised losses/(profit) from JV | | 1,728,077 | 1,425,173 | 245,271 | 5,087,557 | 262,424 |
| Impairment loss | | 3,012,013 | - | - | 3,012,013 | - |
| **Total expenses** | | 5,329,599 | 1,632,225 | 326,250 | 9,151,734 | 484,550 |
| Other income | 13 | 668,721 | 153,286 | 30,048 | 984,548 | 75,093 |
| **Net Profit/(Loss) for the period** | | (4,660,878) | (1,478,939) | (296,202) | (8,167,186) | (409,457) |

The accompanying notes form an integral part of these financial statements

The report of the Independent auditor is set out on page 1 to 3.

**Approved by the shareholder on May 05, 2025**

For KAJARIA INTERNATIONAL DMCC

Pankaj Jain

Director



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## KAJARIA INTERNATIONAL DMCC
## DUBAI, UNITED ARAB EMIRATES

| | Share Capital | Accumulated Loss | Total AED |
|---|---|---|---|
| **STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 25 (01.01.25 TO 31.03.25)** | | | |
| Balance as on 01-01-2025 | 1,000,000 | (4,034,994) | (3,034,994) |
| Net profit/(loss) for the period | - | (4,660,878) | (4,660,878) |
| Balance as on 31-03-2025 | 1,000,000 | (8,695,872) | (7,695,872) |
| **STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 24 (01.10.24 TO 31.12.24)** | | | |
| Balance as on 01-10-2024 | 1,000,000 | (2,556,055) | (1,556,055) |
| Net profit/(loss) for the period | - | (1,478,939) | (1,478,939) |
| Balance as on 31-12-2024 | 1,000,000 | (4,034,994) | (3,034,994) |
| **STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 24 (01.01.24 TO 31.03.24)** | | | |
| Balance as on 01-01-2024 | 1,000,000 | (232,484) | 767,516 |
| Net profit/(loss) for the period | - | (296,202) | (296,202) |
| Balance as on 31-03-2024 | 1,000,000 | (528,686) | 471,314 |
| **STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 25 (01.04.24 TO 31.03.25)** | | | |
| Balance as on 01-04-2024 | 1,000,000 | (528,686) | 471,314 |
| Net profit/(loss) for the period | - | (8,167,186) | (8,167,186) |
| Balance as on 31-03-2025 | 1,000,000 | (8,695,872) | (7,695,872) |
| **STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 24 (01.04.23 TO 31.03.24)** | | | |
| Balance as on 01-04-2023 | 1,000,000 | (119,229) | 880,771 |
| Net profit/(loss) for the period | - | (409,457) | (409,457) |
| Balance as on 31-03-2024 | 1,000,000 | (528,686) | 471,314 |

The accompanying notes form an integral part of these financial statements.

The report of the Independent auditor is set out on page 1 to 3.



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KAJARIA INTERNATIONAL DMCC
DUBAI, UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025/ 31 DECEMBER 2024/ 31 MARCH 24

| | 01.01.25 To 31.03.25 AED | 01.10.24 To 31.12.24 AED | 01.01.24 To 31.03.24 AED | 01.04.24 To 31.03.25 AED | 01.04.23 To 31.03.24 AED |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Net loss for the period | (4,660,878) | (1,478,939) | (296,202) | (8,167,186) | (409,457) |
| **Funds generated from operations** | (4,660,878) | (1,478,939) | (296,202) | (8,167,186) | (409,457) |
| **Changes in working capital** | | | | | |
| (Increase) / decrease in other receivables | 4,461,857 | 42,033 | (1,239,915) | 1,002,250 | (2,378,248) |
| Increase / (decrease) in unsecured loans | 644,537 | 1,400,000 | 1,100,000 | 6,744,537 | 2,500,000 |
| Increase / (decrease) in other payables | (447,118) | 201,625 | 16,579 | (16,707) | 51,206 |
| **Net cash inflow / (outflow) from working capital activities** | 4,659,276 | 1,643,658 | (123,336) | 7,730,080 | 172,958 |
| **Net cash inflow / (outflow) from operating activities** | (1,602) | 164,719 | (419,538) | (437,106) | (236,499) |
| **Cash flows from investing activities** | | | | | |
| (Increase) / decrease in investments | (499,597) | 245,026 | 245,271 | 409,114 | (425,326) |
| **Net cash inflow / (outflow) from investing activities** | (499,597) | 245,026 | 245,271 | 409,114 | (425,326) |
| **Cash flow from financing activities** | | | | | |
| Capital Introduced | - | - | - | - | - |
| **Net cash inflow / (outflow) from financing activities** | - | - | - | - | - |
| Net Increase / (decrease) in cash and cash equivalents | (501,199) | 409,745 | (174,267) | (27,992) | (661,825) |
| Cash & bank balances at the beginning of the period | 556,314 | 146,569 | 257,374 | 83,107 | 744,932 |
| **Cash and cash equivalents at the end of the year** | 55,115 | 556,314 | 83,107 | 55,115 | 83,107 |
| Represented By: | | | | | |
| **Cash and cash equivalents (Note No.7)** | 55,115 | 556,314 | 83,107 | 55,115 | 83,107 |

The accompanying notes form an integral part of these financial statements.
The report of the Independent auditor is set out on page 1 to 3.



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## KAJARIA INTERNATIONAL DMCC
## DUBAI, UNITED ARAB EMIRATES

### Notes to the Financial Statements for the period from March 31, 2025

1. **LEGAL STATUS AND BUSINESS ACTIVITIES**

a) **Kajaria International DMCC** ("The Company") was registered with the Dubai Multi Commodities Centre Authority, Dubai, UAE (License No. DMCC-837894) as a free zone company on February 21, 2022 and the license is valid up to February 20, 2026.

b) The company is mainly engaged in the marketing of tiles/sanitary ware/faucet/plywood/ laminates in United Arab Emirates and/or other international markets.

c) The manager of the company is Mr. Rohit Kainth (Indian National).

d) The registered office address of the company is Unit No: AG-PF-227, AG Tower, Plot No: JLT-PH1-I1A Jumeirah Lakes Towers Dubai, United Arab Emirates.

e) Kajaria International DMCC has entered into joint venture with Al Rathath Marbles Factory LLC, UAE vide Joint Venture Agreement dated 15-12-2022.

**SHARE CAPITAL**

Authorised, issued and paid up capital of the Company is AED 1,000,000 divided into 1,000 shares of AED 1,000 each fully paid and held by the Shareholder as follows:

| Sl No. | Name of the Shareholders | No. of Shares | Amount (AED) | % |
|---|---|---|---|---|
| 1 | Kajaria Ceramics Limited | 1,000 | 1,000,000 | 100 |
| | | 1,000 | 1,000,000 | 100 |

2. **BASIS OF PREPARATION**

a) **Statement of compliance**
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable provisions of relevant UAE Laws.

b) **Basis of measurement**
The financial statements have been presented in Dirhams ("AED") which is Company's functional and presentation currency.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

c) **Going concern basis of accounting**
We draw attention to the fact that the Company has negative net worth during the period ended March 31, 2025, and as of that date, the net equity of the company was AED 7,695,872/- in Deficit. However, the Company continues to be funded by its shareholders to meet its liabilities as and when they fall due.



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**d) Accrual basis of accounting**

The Company prepares the financial statements, except for cash flows information, using the accrual basis of accounting i.e. all items of assets, liabilities, equity, income and expenses are recognized as they arise.

**e) Use of significant estimates, assumptions and judgements**

Based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to lives of items of property and equipment and investment properties and their residual values, impairment of property and equipment, investment properties, provision for doubtful trade advances and dues from related parties and write-down of inventories.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and those have been consistently applied, are as follows:

**a) Current versus non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

**b) Revenue from contracts with customers**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Specifically, the Company has applied a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.



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Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**c) Property, plant and equipment**

The company does not possess any assets as on balance sheet date.

**d) Foreign currency transactions**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

**e) 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.

*i. **Financial assets***

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash f lows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

*Subsequent measurement*

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



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- Financial assets at amortised cost (cash and cash equivalents and trade receivables)
- Financial assets at fair value through profit or loss

*Impairment of financial assets*
The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.
The company has created impairment provision of AED 3,012,013 during the year.

*Derecognition*
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset

ii. ***Financial liabilities***

*Initial recognition and measurement*
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 amounts due to related parties, borrowings, lease liabilities and trade and other payables.

*Subsequent measurement*
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

*Derecognition*
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

iii. ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

iv. ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



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f) **Fair value measurement**

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

g) **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. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

h) **Investment in Associate**

The company has adopted the equity method of accounting whereby the investment is initially recognized at cost and adjusted there after for the post-acquisition change in the investor's share of the investee's net assets. [IAS28].

i) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

j) **Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable

k) **Standards issued but not yet effective**

The standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- Lack of exchangeability- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates- (mandatorily effective from 1 January 2025)
- Derecognition of financial liabilities, Classification of financial assets and Disclosures- Amendments to the IFRS 9 Classification and Measurement of Financial Instruments and IFRS 7 Financial Instruments: Disclosures- (mandatorily effective from 1 January 2026)
- Annual Improvements to IFRS Accounting Standards- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards); Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7); Gain or Loss on Derecognition (Amendments to IFRS 7); Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7); Derecognition of Lease Liabilities (Amendments to IFRS 9); Transaction Price (Amendments to IFRS 9); Determination of a 'De Facto Agent' (Amendments to IFRS 10); Cost Method (Amendments to IAS 7)- (mandatorily effective from 1 January 2026)
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements)- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures- (mandatorily effective from 1 January 2026)
- Replacement of IAS 1 Presentation of Financial Statements by IFRS 18 Presentation and Disclosure in Financial Statements- (mandatorily effective from 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures- (mandatorily effective from 1 January 2027)

The Company is currently assessing the impact of these standards on the future financial statements and intends to adopt these standards, if applicable, when they become effective and mandatory applied.

## 4. CAPITAL MANAGEMENT

Capital consists of share capital, retained earnings and Shareholder's current account which aggregated to (AED 7,695,872) as at the end of the reporting period. The Company manages its capital with an objective to ensure that adequate funds are available to it on an on-going basis to continue the operations of the Company as a going concern and provide the Shareholder with reasonable rate of return under the prevailing economic conditions and the risks encountered.



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# KAJARIA INTERNATIONAL DMCC
# DUBAI, UNITED ARAB EMIRATES
## Notes related to the financial statements (continued) for the year ended 31 MARCH 2025/ 31 DECEMBER 2024/ 31 MARCH 24

| | | 01.01.25 To 31.03.25 AED | 01.10.24 To 31.12.24 AED | 01.01.24 To 31.03.24 AED | 01.04.24 To 31.03.25 AED | To 31.03.24 AED |
|---|---|---|---|---|---|---|
| 5 | **INVESTMENTS** | | | | | |
| | **KAJARIA RMF TRADING LLC** | | | | | |
| | Investment in joint venture | | | | | |
| | (500 shares @ AED 1,000 each) | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| | Less: unrealized losses | (705,669) | (517,516) | (90,655) | (705,669) | (90,655) |
| | Share Application money pending for allotment in Joint Venture | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| | (A) | 194,331 | 382,484 | 809,345 | 194,331 | 809,345 |
| | **KAJARIA - UKP LTD** | | | | | |
| | Inverstment in Joint Venture | | | | | |
| | (1,50,000 shares of 1 GBP each) | 687,750 | 687,750 | 687,750 | 687,750 | 687,750 |
| | Less: Unrealised Losses | - | (687,750) | (205,900) | - | (205,900) |
| | (B) | 687,750 | - | 481,850 | 687,750 | 481,850 |
| | Total : A+B | 882,081 | 382,484 | 1,291,195 | 882,081 | 1,291,195 |
| 6 | **OTHER RECEIVABLES** | | | | | |
| | Prepayments & deposits | 38,422 | 10,756 | 51,835 | 38,422 | 51,835 |
| | Due from Related Party - Kajaria RMF Trading LLC | 1,300,000 | 1,300,000 | 800,000 | 1,300,000 | 800,000 |
| | Due from Related Party - Kajaria - UKP Ltd | 3,012,013 | 4,121,320 | 1,518,693 | 3,012,013 | 1,518,693 |
| | Impairment of loan | (3,012,013) | - | - | (3,012,013) | - |
| | Interest due from Kajaria RMF Trading LLC | 56,244 | 27,395 | 53,852 | 56,244 | 53,852 |
| | Interest due from KAJARIA - UKP LTD | - | 273,574 | 21,241 | - | 21,241 |
| | Other receivables - Related Party - Kajaria Ceramics Limited | 87,024 | 212,306 | 37,766 | 87,024 | 37,766 |
| | Other receivables | 2,336 | 532 | 2,889 | 2,336 | 2,889 |
| | | 1,484,026 | 5,945,883 | 2,486,276 | 1,484,026 | 2,486,276 |
| 7 | **CASH AND CASH EQUIVALENTS** | | | | | |
| | Cash at bank | 55,115 | 556,314 | 83,107 | 55,115 | 83,107 |
| | | 55,115 | 556,314 | 83,107 | 55,115 | 83,107 |
| 8 | **ACCUMULATED LOSS** | | | | | |
| | Opening balance | (4,034,994) | (2,556,055) | (232,484) | (528,686) | (119,229) |
| | Net loss for the period | (4,660,878) | (1,478,939) | (296,202) | (8,167,186) | (409,457) |
| | Closing balance | (8,695,872) | (4,034,994) | (528,686) | (8,695,872) | (528,686) |
| 9 | **DUE TO RELATED PARTY** | | | | | |
| | Loan from Kajaria Ceramics Limited | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 |
| | Loan from Kajaria Ceramics-US Loan | 7,844,537 | 7,200,000 | 1,100,000 | 7,844,537 | 1,100,000 |
| | | 10,044,537 | 9,400,000 | 3,300,000 | 10,044,537 | 3,300,000 |
| 10 | **OTHER PAYABLES** | | | | | |
| | Other payables | 72,557 | 60,563 | 35,500 | 72,557 | 35,500 |
| | Interest due from Kajaria Ceramics Limited | - | 459,112 | 53,764 | - | 53,764 |
| | | 72,557 | 519,675 | 89,264 | 72,557 | 89,264 |



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## 11 GENERAL ADMINISTRATIVE EXPENSES

| | | | | | |
|---|---|---|---|---|---|
| Salary & wages | 175,000 | - | - | 175,000 | - |
| Rent | 5,081 | 5,194 | 5,038 | 20,606 | 20,606 |
| Legal, license & professional charges | 14,807 | 9,313 | 17,828 | 43,131 | 49,831 |
| Insurance expense | 3,142 | 4,072 | 3,864 | 15,313 | 15,580 |
| Office expenses | 201,629 | - | - | 201,629 | - |
| Travelling expense | 3,934 | - | - | 3,934 | - |
| | 403,593 | 18,579 | 26,730 | 459,613 | 86,017 |

## 12 FINANCE COST

| | | | | | |
|---|---|---|---|---|---|
| Bank charges | 491 | 462 | 485 | 1,778 | 1,578 |
| Interest on loan | 185,425 | 188,011 | 53,764 | 590,773 | 134,531 |
| | 185,916 | 188,473 | 54,249 | 592,551 | 136,109 |

## 13 OTHER INCOME

| | | | | | |
|---|---|---|---|---|---|
| Interest received from JV | 162,837 | 153,286 | 30,048 | 478,664 | 75,093 |
| Other income | 505,884 | - | - | 505,884 | - |
| | 668,721 | 153,286 | 30,048 | 984,548 | 75,093 |

## 14 CONTINGENT LIABILITY

Except for the ongoing business obligation which are under normal course of a business against which no loss is expected, there has been no other known contingent liability or capital balance commitment on the company's acc as on the balance sheet date.

## 15 RELATED PARTY TRANSACTION

The company enters into transaction with companies and entities that fall within the definition of a related party. R party comprise companies and entities under common ownership and/or common management and control their partners and key management personnel.The company believes that the terms of such transactions are not significa different from those that could have been obtained from third parties.

| | | | | | |
|---|---|---|---|---|---|
| **At the balance sheet date due to related party is as under:** | | | | | |
| Kajaria Cermaics Limited | 9,957,513 | 9,646,806 | 3,315,998 | 9,957,513 | 3,315,998 |
| **At the balance sheet date due from related party is as under:** | | | | | |
| Kajaria RMF Trading LLC | 1,356,244 | 1,327,395 | 853,852 | 1,356,244 | 853,852 |
| **At the balance sheet date due from related party is as under:** | | | | | |
| Kajaria -UKP Ltd | 3,012,013 | 4,394,894 | 1,539,934 | 3,012,013 | 1,539,934 |
| **Related Party Transactions balance break-up:** | | | | | |
| **Kajaria Cermaics Limited** | | | | | |
| Loan Received | 10,044,537 | 9,400,000 | 3,300,000 | 10,044,537 | 3,300,000 |
| Interest due on Loan | - | 459,112 | 53,764 | - | 53,764 |
| **Total** | 10,044,537 | 9,859,112 | 3,353,764 | 10,044,537 | 3,353,764 |
| Less : Amount Receivable for Expenses | 87,024 | 212,306 | 37,766 | 87,024 | 37,766 |
| **Net** | 9,957,513 | 9,646,806 | 3,315,998 | 9,957,513 | 3,315,998 |



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| | | | | | |
|---|---|---|---|---|---|
| **Kajaria RMF Trading LLC** | | | | | |
| Additional loan | 1,300,000 | 1,300,000 | 800,000 | 1,300,000 | 800,000 |
| Interest on loan | 56,244 | 27,395 | 53,852 | 56,244 | 53,852 |
| | 1,356,244 | 1,327,395 | 853,852 | 1,356,244 | 853,852 |
| **Kajaria -UKP Ltd** | | | | | |
| Loan | 3,012,013 | 4,121,320 | 1,518,693 | 3,012,013 | 1,518,693 |
| Interest on Loan | - | 273,574 | 21,241 | - | 21,241 |
| | 3,012,013 | 4,394,894 | 1,539,934 | 3,012,013 | 1,539,934 |

16 **FINANCIAL INSTRUMENTS**

Financial instruments of the company comprises of cash and bank balances,trade receivables, other receivables anc trade payables

**Risk Management**

**Credit risk**

Financial assets which potentially expose the company to concentration of credit risk comprise principally bank balaı trade receivables and other receivables.

The company's bank accounts are placed with high credit quality financial institutions.

**Exchange rate risk**

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denomina in Arab Emirates Dirhams.

**Interest Rate Risk**

The company is not exposed to any interest rate risk.

17 All the figures are expressed in AED and Fills have been rounded of to the nearest AED.

18 **COMPARATIVE AMOUNTS**

The previous year comparative figures are not comparable since the period of all audited financial are different.

**Approved by the shareholder on May 05, 2025**

**For KAJARIA INTERNATIONAL DMCC**

Director



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