

# M. VERMA & ASSOCIATES

## Chartered Accountants

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**Independent Auditor's Report on Audit of Quarterly And Annual Financial Results of M/S Kajaria Ramesh Tiles Limited Pursuant to the Requirements Of Group Company Audit.**

To,

The board of directors

Kajaria Ramesh Tiles Limited

### Opinion

We have audited the accompanying statement of audited financial results of M/s Kajaria Ramesh Tiles Limited ("a Public Limited Company") for the quarter and year ended 31st March, 2025, attached herewith being submitted by the company pursuant to the requirements of Group company audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- is presented in accordance with the requirements of Group audit instructions; and
- gives a true and fair view in conformity with the applicable accountings standards and other applicable accounting principles generally accepted in Nepal, of net profit and other income and other financial information of the company for the quarter and year ended March 31, 2025.

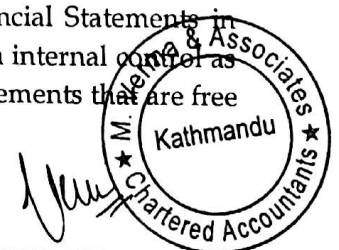
### Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics.

### Managements Responsibility for the Financial Statements

Management is responsible for preparation and fair presentation of the Financial Statements in accordance with the Nepal Financial Reporting Standards (NFRSs) 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 its 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 management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

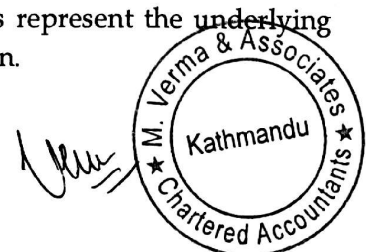
Those charged with governance are responsible for overseeing the Company's Financial Reporting process.

### **Auditor's Responsibility 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 NSAs 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 decision of users taken on the basis of these Financial Statements.

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

- i) Identify and assess the risk 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, misrepresentation, or the override of internal controls.
- ii) Obtain an understanding of Internal Control relevant to 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 Company's Internal Control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) 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.
- v) 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.

We also communicate with those charged with governance that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

The statements includes the results for the quarter ended March 31, 2025 being the balancing figure between the audited figures of the full financial year ended March 31, 2025 and the unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required. Our opinion on the statement is not modified in respect of this matter

For: **M. Verma & Associates**  
Chartered Accountants



**CA Mukesh Verma**  
Proprietor

COP No. 625

UDIN: 250505CA00772Z69D45

Date: 25/04/2025

Place: Kathmandu, Nepal



**Kajaria Ramesh Tiles Limited**  
Audited Statement of Assets and Liabilities as at 31st March , 2025

(₹ In Lakhs)  
Amount in NPR

Particulars	As at 31 March 2025	As at 31 March 2024
	Audited	Audited
<b>I ASSETS</b>		
<b>1 Non-Current Assets</b>		
(a) Property, plant and equipment	25,731.27	3,562.78
(b) Capital Work in progress	1,286.50	11,436.20
(c) Right of Use Assets	432.98	434.64
(d) Intangible assets	68.61	1.97
(e) Financial assets		
(i) Investments	-	-
(f) Deferred tax assets (net)	267.81	50.75
<b>Total Non-Current Assets</b>	<b>27,787.17</b>	<b>15,486.34</b>
<b>2 Current assets</b>		
(a) Inventories	6,894.96	-
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	2,609.31	-
(iii) Cash and cash equivalents	315.66	312.94
(iv) Bank balances other than (iii) above	-	-
(v) Others Financial Assets	284.43	267.51
(d) Current Tax Assets(Net)	-	-
(c) Other current assets	2,487.91	1,936.74
<b>Total Current Assets</b>	<b>12,592.26</b>	<b>2,517.19</b>
<b>Total Assets</b>	<b>40,379.43</b>	<b>18,003.53</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity Share capital	7,496.40	4,000.00
(b) Other equity	852.48	-206.74
(c) Share Application money	1,401.75	-
<b>Total Equity</b>	<b>9,750.63</b>	<b>3,793.26</b>
<b>2 Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowing	16,484.21	3,543.21
(ii) Lease Liabilities	460.76	430.95
(iii) Other Financial Liabilities	-	-
(b) Provisions	-	-
(c) Deferred tax liabilities (Net)	-	-
<b>Total Non Current Liabilities</b>	<b>16,944.97</b>	<b>3,974.16</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowing	10,976.80	5,631.25
(ii) Trade payables	1,925.82	1,112.73
(iii) Lease liabilities	18.07	14.28
(iv) Other Financial Liabilities	288.31	3,457.20
(b) Other current liabilities	381.26	20.65
(c) Provisions	93.57	-
<b>Total Current Liabilities</b>	<b>13,683.82</b>	<b>10,236.11</b>
<b>Total Equity &amp; liabilities</b>	<b>40,379.43</b>	<b>18,003.53</b>

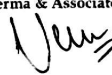
For and on Behalf of Board

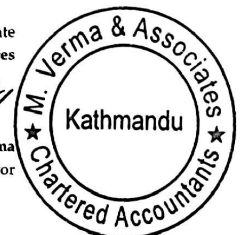



  
 Director                      Director                      Finance Head

Place: Kathmandu, Nepal  
Date: 25th April, 2025

As per our report of even date  
For: M. Verma & Associates

  
 CA Mukesh Verma  
 Proprietor



**Kajaria Ramesh Tiles Limited**  
Audited Statement of Financial Results for the Year Ended 31st March, 2025

S.No.	Particulars	(NPR in Lakhs, except per share data)				
		Quarter Ended			Year ended	
		31-Mar-25 (Audited)	30-Dec-24 (Unaudited)	31-Mar-24 (Audited)	31-Mar-25 Audited	31-Mar-24 Audited
I.	Revenue from operations	5,085.90	3,924.76	-	9,548.34	-
II.	Other income	110.20	26.71	-	136.91	-
III.	<b>Total Income (I+II)</b>	<b>5,196.10</b>	<b>3,951.47</b>	<b>-</b>	<b>9,685.25</b>	<b>-</b>
IV.	<b>Expenses :</b>				4,819.92	-
	Cost of materials consumed	1,469.39	2,625.34	-	4,687.27	-
	Production expenses	1,773.54	2,332.33	-	-	-
	Purchase of Stock In Trade	-	-	-	(3,134.56)	-
	Changes in Inventories of Finished goods, Stock in trade and Work in Progress	382.63	(2,579.89)	-	287.47	124.84
	Employee benefits expense	115.19	20.02	23.75	530.62	17.09
	Finance costs	331.91	91.18	17.09	210.73	29.27
	Depreciation and amortization expense	149.57	22.92	21.03	1,441.64	71.13
	Other expenses	724.23	523.82	1.68	843.09	242.33
	<b>Total expenses (IV)</b>	<b>4,946.46</b>	<b>3,035.72</b>	<b>63.55</b>	<b>842.16</b>	<b>(242.33)</b>
V.	<b>Profit-(loss) before Exceptional Items &amp; Tax (III-IV)</b>	<b>249.64</b>	<b>915.75</b>	<b>(63.55)</b>	<b>842.16</b>	<b>(242.33)</b>
VI.	Exceptional items	-	-	-	-	-
VII.	<b>Profit-(loss) before tax (V-VI)</b>	<b>249.64</b>	<b>915.75</b>	<b>(63.55)</b>	<b>842.16</b>	<b>(242.33)</b>
VIII.	<b>Tax Expense:</b>					
	Current tax	-	68.62	15.00	(217.06)	(47.72)
	Deferred tax	(343.58)	68.62	15.00	(217.06)	(47.72)
	<b>Total tax expense (VIII)</b>	<b>593.22</b>	<b>847.13</b>	<b>(78.55)</b>	<b>1,059.22</b>	<b>(194.61)</b>
IX.	<b>Profit-(loss) for the year (VII-VIII)</b>	<b>593.22</b>	<b>847.13</b>	<b>(78.55)</b>	<b>1,059.22</b>	<b>(194.61)</b>
X.	<b>Other Comprehensive Income</b>					
(i)	Items that will not be reclassified to profit or loss					
(a)	Fair value changes in equity instruments through other comprehensive income	-	-	-	-	-
(ii)	Income tax expense relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>593.22</b>	<b>847.13</b>	<b>(78.55)</b>	<b>7,496.40</b>	<b>4,000.00</b>
XI.	Paid up Equity Share Capital (Face Value of ₹ 100- each)	7,496.40	7,496.40	-	2,254.23	(206.74)
XIII.	Other Equity	-	-	-	-	-
XIV.	<b>Earnings per equity share of ₹ 100 each (not annualised for quarter and periods)</b>				16.39	(2.60)
	- Basic (in NPR)	4.74	11.30	-	16.39	(2.60)
	- Diluted (in NPR)	4.74	11.30	-	16.39	(2.60)

As per our report of even date

For and on Behalf of Board

  
Director

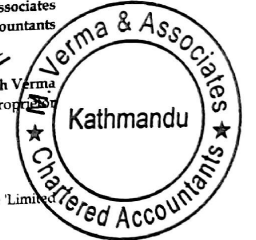


Director

  
Finance Head

For: M.Verma & Associates  
Chartered Accountants

  
CA Mukesh Verma  
Proprietor



Place: Kathmandu, Nepal  
Date: 25th April, 2025

Notes:

- The above financial results have been approved by the Board of Directors at their respective meetings held on 25 April 2025 and have undergone 'Limited Review' by the statutory auditors of the Company
- The above results have been prepared accordance with the nepal Financial reporting standards(NFRS) as notified by the Companies Act, 2063
- The figures of the previous period(s) have been regrouped/rearranged wherever considered necessary

**Kajaria Ramesh Tiles Limited**  
Audited Statement of Cash Flows for the Year Ended 31st March, 2025

(NPR In Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
<b>Cash flows from operating activities</b>		
Net profit before tax & extraordinary items	842.16	(242.33)
Adjustment for:		
Depreciation	758.09	29.27
Finance cost	530.62	17.09
<b>Operating profit before changes in working capital</b>	<b>2,130.87</b>	<b>(195.97)</b>
Adjustments for increase-decrease in:		
(Increase)-Decrease in Current Assets	(10,072.35)	(2,183.74)
(Decrease)-Increase in Current Liabilities	3,447.72	10,231.93
	<b>(6,624.63)</b>	<b>8,048.19</b>
Direct taxes paid		
Income tax	-	-
<b>Cash inflow-(used in) from operating activities (A)</b>	<b>(4,493.76)</b>	<b>7,852.22</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property and equipment	-	-
Purchase of property Plant & equipment and intangible assets	(22,943.27)	(3,578.91)
Acquisition of ROU assets	(48.29)	(449.63)
Change in Investment in WIP Disposal-(Addition)	10,149.70	(11,429.94)
<b>Cash inflow-(used in) from investing activities (B)</b>	<b>(12,841.86)</b>	<b>(15,458.49)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	3,496.40	4,000.00
Increase - (Decrease) in lease liabilities	29.82	430.95
Interest paid	(530.62)	(17.09)
Share Application money	1,401.75	(49.00)
Proceeds from borrowings	12,941.00	3,543.21
Dividend paid including tax	-	-
<b>Cash inflow-(used in) from investing activities (C)</b>	<b>17,338.34</b>	<b>7,908.07</b>
<b>Net cash inflow-(used in) during the year (A+B+C)</b>	<b>2.72</b>	<b>301.81</b>
Opening Cash & Cash equivalents	312.94	11.13
<b>Closing Cash &amp; Cash equivalents</b>	<b>315.66</b>	<b>312.94</b>

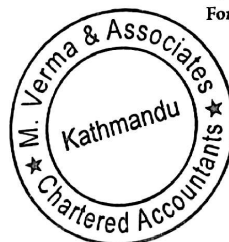
For and on Behalf of Board

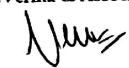
 Director  
 Director  
 Finance Head

Place: Kathmandu, Nepal  
Date: 25th April, 2025

As per our report of even date

For: M. Verma & Associates



  
 CA Mukesh Verma  
 Proprietor

**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
For the Year Ended March 31, 2025

**1 General Information**

Kajaria Ramesh Tiles Limited ("the company") is a Public Limited Company incorporated under the Company Act, 2063 of Nepal. The registered office of the company is at Triprusher, Kathmandu, Nepal. The company was registered as public company on 2079-10-17(31st Jan 2023).

The company is engaged in the business of manufacturing , selling and didtribution of ceramics and vetrified wall and floor tiles.

**2 Basis of Preparation**

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

**2.1 Statement of Compliance**

The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).The financial statements have been prepared on accrual basis and approved by the Board of Directors on 25th April,2025

These policies have been consistently applied to all the years presented except otherwise stated.

**2.2 Reporting period and approval of financial statements**

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by Accounting Standard Board, Nepal.

**2.3 Functional and Presentation Currency**

The financial statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency.

**2.4 Use of Estimates, Assumptions and Judgements**

The Company, under NFRS, has applied accounting policies which appropriately suit its circumstances and operating environment. Further, the Company has made judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed.

The Company has made estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Company applies estimates in preparing & presenting the financial statements and such estimates and undelying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

**2.5 Going Concern**

The financial statements are prepared on a going concern basis, as the Board of the Company is satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

*Bidhan* *JKR*



**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
For the Year Ended March 31, 2025

**2.6 Changes in Accounting Policies**

The company has changed its accounting policies, wherever required, to ensure compliance with NFRS. The effect of change in accounting policy at the date of transition has been given to the retained earnings (and reserves, if applicable).

**2.7 Reporting Pronouncements**

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on September 13, 2013. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with alternative treatment and effective period shall be provided to Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). In the same decision the ASB has outlined that the other entities may also use those carve-outs with necessary disclosures. Accordingly the company has decided to adopt those carve-outs. Details of carve out provided are as follows:

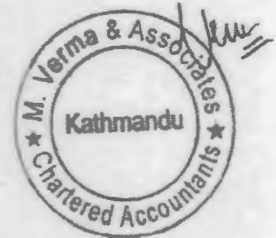
**2.8 New Standards in issue but not yet effective**

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments - Disclosures have been applied. NFRS 1 has been complied for the classification of Financial Instruments. A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

**2.9 Limitation of NFRS Implementation**

Wherever the information is not adequately available, and-or it is impracticable to develop the, such exception to NFRS implementation has been noted and disclosed in respective sections.

*Bidhan* *Shri*





**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**3 Significant Accounting Policies**

**3.1 Basis of Measurement**

The financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- Financial assets other than measured at amortized cost are measured at fair value.
- Inventories are measured at cost or net realizable value whichever is lower

**3.2 Presentation - Current versus Non-Current Classification**

The Company presents assets and liabilities in statement of financial position based on current-non-current classification. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or

All other assets are classified as non-current.

The Company classifies a liability as 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.

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

**3.3 Critical accounting estimates**

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. The management has exercised judgments in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes:

**a) Recognition of deferred tax assets**

Deferred tax assets are recognised for taxable temporary difference to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Bidhan*  
*KR*



**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**b) Provision for depreciation and amortisation**

Depreciation and amortisation is calculated over the estimated useful lives of the assets. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**3.4 Capital management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximize the shareholder value. 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 or issue new shares.

**3.5 Impairment of non-financial assets (excluding inventories and deferred tax assets)**

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. 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 Cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is also done for whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have been decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.


Impairment loss or reversal shall be included in profit or loss if any. The company has no impairment loss- gain during the relevant reporting periods.


**3.6 Foreign Currency Transactions**

Transactions entered into by the Company in a currency other than Nepali Rupee (the currency of primary economic environment in which it operates) are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets & liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss statement.

**3.7 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government

*Bidhan* *Blaw* 

*New!!*  


**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
For the Year Ended March 31, 2025

**3.8 Property, Plant & Equipments:**

**A) Recognition and Measurement**

The cost of an item of property and equipment shall be recognized as an asset, initially recognized at cost, if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labor;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the Company. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

**B) Depreciation**

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

Depreciation is provided on a pro-rata basis on the straight-line method based on the estimated useful life of the assets determined by management as per application guidance to NAS 16 issued by Accounting Standard Board considering 5% of Gross amount as

The estimated useful lives of various class of PPE for the current year and comparative years are as follows:

Particulars	Useful Life (years)
Land & Development	N/A
Plant and Machinery	15
Vehicles	8-10
Furniture & Fittings	10
Office & Electrical Equipment	5
Computer & Peripherals	6

**C) De-Recognition**

An item of property plant and equipment is de-recognised on disposal or when no future economic benefits are expected from the use of that asset. The gain or loss arising from the disposal of an item of property plant and equipments is the difference between net disposal proceeds if any, and the carrying amount of that item and is recognised in the statement of Profit and Loss.

**D) Capital Work in Progress**

Capital work-in-progress represents expenditure incurred in respect of capital projects not ready for use and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development - construction costs, borrowing costs, other direct expenditures and stocks which are yet to used.

**3.9 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost of acquisition. The cost comprises of purchase price and directly attributable costs of bringing the assets to its working condition for intended use.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

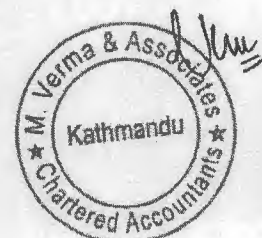
The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives of Intangible assets for the current year and comparative years are as follows:

Particulars	Useful Life
Software	5 years

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**Kajaria Ramesh Tiles Limited**  
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**For the Year Ended March 31, 2025**

**3.10 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**3.11 Financial Instruments : Financial Assets**

Financial Asset is any asset that is:

- a) Cash
- b) an equity instrument of another entity
- c) a contractual right:
  - i) to receive cash or other financial asset from another entity, or
  - ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity, or
- d) a contract that will or may be settled in the entity's own equity instruments and is:
  - i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
  - ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

**A) Recognition**

All financial assets are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

**B) Classification**

The financial assets are measured at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The two classes of financial assets are as follows:

**i) Financial assets measured at amortized cost**

Financial assets are measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual

**ii) Financial asset measured at fair value**

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

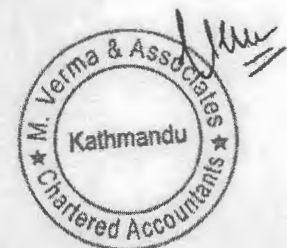
**a) Financial assets at fair value**

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

Investment in an equity instrument that is not held for trading and at the initial recognition, the Company makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value through other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

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**Kajaria Ramesh Tiles Limited**  
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**C) Measurement**

**i) Initial Measurement**

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

**ii) Subsequent Measurement**

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

**D) Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

**E) Determination of Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price - i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification), or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases, the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

All unquoted equity investments are recorded at cost, considering the non trading of promoter shares up to the date of balance sheet, the market price of such shares could not be ascertained with certainty. Hence, these investments are recognized at cost net of impairment, if any.

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**Kajaria Ramesh Tiles Limited**  
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**F) Impairment**

At each reporting date the Company assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Company uses statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

**3.12 Income taxes**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

**Current tax**

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**Deferred Income Tax**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**3.13 Borrowing cost**


Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

**3.14 Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in bank accounts.

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**Kajaria Ramesh Tiles Limited**  
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**3.15 Non-current Assets Held for Sale**

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied -

- a. The sale is highly probable, and
- b. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

**3.16 Employee benefits**

Employee benefits include salaries, wages, contribution to provident fund and gratuity

**a. Short-term employee benefits**

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

**b. Post-employment benefits**

**Defined contribution plan**

The Company does not have any Post-employment benefits plan as of now.

**3.17 Financial Instruments : Financial Liabilities**

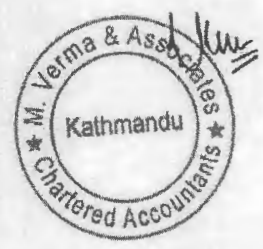
Financial Liability is any liability that is:

- a) a contractual obligation:
  - i) to deliver cash or other financial asset to another entity, or
  - ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- b) a contract that will or may be settled in the entity's own equity instruments and is:
  - i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
  - ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

**Recognition**

All financial liabilities are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

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**Kajaria Ramesh Tiles Limited**  
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**Classification**

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as follows:

- i) **Financial Liabilities at Fair Value through Profit or Loss (FVTPL)**  
Financial liabilities are classified as fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss.
- ii) **Financial Liabilities measured at amortized cost**  
All financial liabilities other than measured at fair value through profit or loss are classified as subsequently measured at amortized cost using effective interest rate method.

**Measurement**

- i) **Initial Measurement**  
A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.
- ii) **Subsequent Measurement**  
A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

**3.18 Provisions**

Provisions are recognized when the company has a present obligation, legal or constructive, as a result of a past event, it is probable that a transfer of a economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision is recognized.

The amount of provision recognized is the management's best estimate of expenditure required to settle the present obligation at the reporting date.

Management reviews provisions at each reporting date and is adjusted to reflect the best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

**3.19 Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

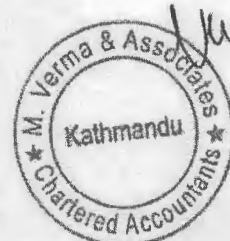
The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

**3.20 Earnings Per Share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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**Kajaria Ramesh Tiles Limited**  
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**For the Year Ended March 31, 2025**

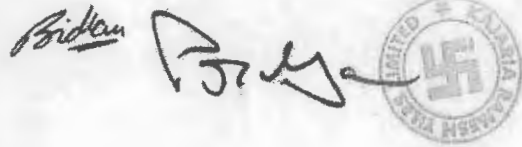
**4 Property, Plant & Equipments (PPE)**

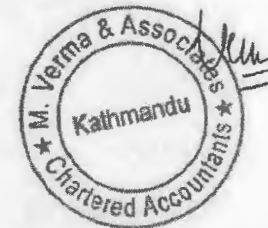
The changes in the carrying value of Property, Plant & Equipments (PPE) for the year ended 31st March 2025.

Amount in NPR

Particulars	Land & Land Development	Buildings	Plant and Machinery	Office & Electrical Equipment	Furniture & Fittings	Vehicles	Display Center	Lease Hold Improvements	Computer & Peripherals	Total
<b>Cost:</b>										
Opening as on April 1, 2023	-	-	11,955.00	-	-	-	-	-	-	11,955.00
Addition during the Year	-	-	14,81,017.67	28,16,914.13	14,73,561.12	1,27,80,371.69	-	-	16,07,572.89	2,01,59,437.50
Transfer to PPE	33,75,16,627.37	-	-	-	-	-	-	-	-	33,75,16,627.37
Disposal during the year	-	-	-	-	-	-	-	-	-	-
Adjustment-Revaluation	-	-	-	-	-	-	-	-	-	-
<b>Balance as on 31st March, 2024</b>	<b>33,75,16,627.37</b>	<b>-</b>	<b>14,92,972.67</b>	<b>28,16,914.13</b>	<b>14,73,561.12</b>	<b>1,27,80,371.69</b>	<b>-</b>	<b>-</b>	<b>16,07,572.89</b>	<b>35,76,88,019.87</b>
<b>Addition during the Year</b>										
Acquisition	2,54,51,043.17	71,73,08,523.41	1,49,76,09,082.08	1,12,07,448.99	1,23,98,046.20	62,54,115.93	80,02,832.24	78,48,370.00	13,84,475.18	2,28,74,63,937.20
Transfer to PPE	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-
Adjustment-Revaluation	-	-	-	-	-	-	-	-	-	-
<b>Balance as on 31st March, 2025</b>	<b>36,29,67,670.54</b>	<b>71,73,08,523.41</b>	<b>1,49,91,02,054.75</b>	<b>1,40,24,363.12</b>	<b>1,38,71,607.32</b>	<b>1,90,34,487.62</b>	<b>80,02,832.24</b>	<b>78,48,370.00</b>	<b>29,92,048.07</b>	<b>2,64,51,51,957.07</b>
<b>Depreciation &amp; Impairment</b>										
Opening as on April 1, 2023	-	-	24.57	-	-	-	-	-	-	24.57
Depreciation charge for the Year	-	-	98,764.47	2,91,488.69	79,764.15	8,26,662.19	-	-	1,13,525.22	14,10,204.73
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance as on 31st March, 2024</b>	<b>-</b>	<b>-</b>	<b>98,789.04</b>	<b>2,91,488.69</b>	<b>79,764.15</b>	<b>8,26,662.19</b>	<b>-</b>	<b>-</b>	<b>1,13,525.22</b>	<b>14,10,229.29</b>
Depreciation charge for the Year	-	1,03,22,775.33	5,47,35,613.00	13,19,773.36	7,96,580.89	19,58,130.25	3,96,312.64	7,13,879.13	3,71,324.53	7,06,14,389.13
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance as on 31st March, 2025</b>	<b>-</b>	<b>1,03,22,775.33</b>	<b>5,48,34,402.03</b>	<b>16,11,262.05</b>	<b>8,76,345.04</b>	<b>27,84,792.44</b>	<b>3,96,312.64</b>	<b>7,13,879.13</b>	<b>4,84,849.75</b>	<b>7,20,24,618.43</b>
<b>Net Book Value</b>										
Balance as on 31st March 2024	33,75,16,627.37	-	13,94,183.63	25,25,425.44	13,93,796.97	1,19,53,709.50	-	-	14,94,047.67	35,62,77,790.58
Balance as on 31st March, 2025	36,29,67,670.54	70,69,85,748.08	1,44,42,67,652.72	1,24,13,101.07	1,29,95,262.28	1,62,49,695.18	76,06,519.60	71,34,490.87	25,07,198.32	2,57,31,27,338.65

All categories of Property, Plant and Equipment are initially recorded at cost except land. Property, Plant and Equipment are subsequently measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure. Subsequent cost are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits are associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**4.1 Capital Work In Progress**

The changes in the carrying value of capital work-in-progress for the period ended 31st March, 2025

Amount in NPR

Particulars	Land	Buildings	Office equipment	Plant & Machinery	Display center	Stock for CWIP	Total
Opening Balance as at 1st April 2023	1,50,000.00	4,75,518.50	-	-	-	-	6,25,518.50
Addition during the Year	33,73,66,627.37	25,39,68,591.29	-	74,49,39,180.84	59,72,999.42	4,74,78,621.11	1,38,97,26,020.03
Direct attributable Expenses	-	1,41,50,230.70	-	4,15,05,373.61	-	-	5,56,55,604.31
Interest Capitalised	-	77,57,713.23	-	2,27,54,878.91	-	-	3,05,12,592.14
Foreign currency translation difference	-	-	-	46,16,858.83	-	-	46,16,858.83
Transfer to property, plant and equipment	(33,75,16,627.37)	-	-	-	-	-	(33,75,16,627.37)
<b>Balance as at March end 2024</b>	-	27,63,52,053.72	-	81,38,16,292.18	59,72,999.42	4,74,78,621.11	1,14,36,19,966.44
Addition during the Year	2,54,51,043.17	46,42,22,589.10	-	45,67,33,927.08	12,75,989.25	-	94,76,83,448.60
Direct attributable Expenses	-	5,32,10,906.00	-	5,23,52,527.93	-	-	10,55,63,433.93
Interest Capitalised	-	4,64,44,845.07	-	4,56,95,614.52	-	-	9,21,40,459.59
Foreign currency translation difference	-	-	-	-	-	-	-
Transfer to property, plant and equipment	(2,54,51,043.17)	(71,73,08,523.41)	-	(1,36,28,70,439.07)	(72,48,888.67)	(4,74,78,621.11)	(2,16,03,57,515.43)
<b>Balance as on 31st March, 2025</b>	-	12,29,21,870.48	-	57,27,922.64	-	-	12,86,49,793.12

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**

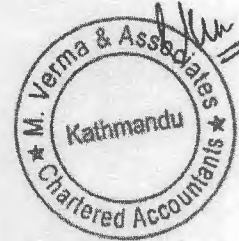
4.1 The changes in the carrying value of Right-of-use (ROU) of Assets for the year ended 31st March, 2025 is as follow:

Amount in NPR

Particulars	ROU Assets	Total
Balance as at 1st April 2023	-	-
Additions during the year	4,49,63,054.80	4,49,63,054.80
Disposals during the year	-	-
Depreciation/Amortization during the year	14,98,768.49	14,98,768.49
<b>Balance as at March end 2024</b>	<b>4,34,64,286.31</b>	<b>4,34,64,286.31</b>
Additions during the year	48,29,365.15	48,29,365.15
Disposals during the year	-	-
Depreciation/Amortization during the year	49,95,894.98	49,95,894.98
<b>Balance as at March end 2025</b>	<b>4,32,97,756.47</b>	<b>4,32,97,756.47</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**


**5 Intangible Assets**

The changes in the carrying value of Intangible Assets for the year ended 31-03-2025


Amount in NPR

Particulars	Intangible assets
<b>Cost:</b>	
As on April 1, 2023	-
Addition	2,15,000.00
Disposal During the Year	-
Adjustment-Revaluation	-
<b>Balance as on March end 2024</b>	<b>2,15,000.00</b>
Additions	68,62,767.85
Disposal During the Year	-
Adjustment-Revaluation	-
<b>Balance as on 31st March, 2025</b>	<b>70,77,767.85</b>
<b>Amortisation and impairment losses</b>	
As on April 1, 2023	-
Amortization charge for the Year	18,463.84
Impairment for the Year	-
Disposals	-
Adjustment	-
<b>Balance as on March end 2024</b>	<b>18,463.84</b>
Amortization charge for the Year	1,98,335.86
Impairment for the Year	-
Disposals	-
Adjustment	-
<b>Balance as on 31st March, 2025</b>	<b>2,16,799.70</b>
<b>Net Book Value</b>	
Balance as on March end 2024	1,96,536.16
Balance as on 31st March, 2025	68,60,968.15

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*M. Verma & Associates*



**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

6. Deferred Income Tax

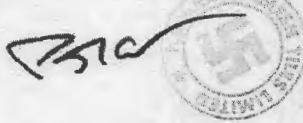
Amount in NPR

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred Tax Asset	3,65,27,657.65	1,39,79,452.15
Deferred Tax Liability	97,46,702.49	89,04,498.77
<b>Net Deferred Tax Asset - (Liability)</b>	<b>2,67,80,955.16</b>	<b>50,74,953.38</b>
<b>Net Changes</b>	<b>2,17,06,001.78</b>	<b>47,71,741.24</b>
Deferred Tax charged in OCI	-	-
Deferred Tax charged in SPL	2,17,06,001.78	47,71,741.24
<b>Deferred Tax charged directly in Equity due to change in estimate of the life of asset</b>	<b>-</b>	<b>-</b>
<b>Deferred tax Assets:</b>		
Recognized in profit or loss	3,65,27,657.65	1,39,79,452.15
Recognized in OCI	-	-
Recognized in Equity	-	-
<b>Deferred tax Assets at the end of year</b>	<b>3,65,27,657.65</b>	<b>1,39,79,452.15</b>
<b>Deferred tax liability:</b>		
Recognized in profit or loss	97,46,702.49	89,04,498.77
Recognized in OCI	-	-
Recognized in Equity	-	-
<b>Deferred tax liability at the end of year</b>	<b>97,46,702.49</b>	<b>89,04,498.77</b>

6.1 Deferred Income Tax Assets and Liabilities, deferred tax charge/ (credit) in the profit or loss and OCI

Particulars	As at 31 March 2025	As at 31 March 2024
Property Plant and Equipments	3,81,00,993	4,00,780
Right of Use of Assets	86,59,551	86,92,857
Carry forward loss	(1,02,32,886)	48,46,507
Intangible Assets	-	39,307
Corporate Social Responsibility	(1,70,133)	-
Lease Liabilities	(95,76,569)	(89,04,499)

\*deferred tax has been calculated as per applicable tax rate

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*M. Verma*   
M. Verma & Associates  
Kathmandu  
Chartered Accountants

**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**7 Investments**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Investments	-	-
<b>Total</b>	-	-

**8 Other Non-Current financial assets**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Other Non Current Assets	-	-
<b>Total</b>	-	-

**9 Inventories**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Raw Materials	19,74,65,980.41	-
Finised Goods	32,01,57,923.03	-
Trading Goods	55,16,156.96	-
Work In Progress	48,09,474.53	-
Packing Material	1,23,89,616.27	-
Stores and Consumable Items	14,91,56,578.84	-
<b>Total</b>	<b>68,94,95,730.03</b>	-

**10 Trade Receivables**

Trade receivables comprises of amount receivable from our customers and are non-interest bearing. Such trade receivables are generally on credit terms of 30 - 90 days.

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Receivable	26,09,30,851.03	-
<b>Total</b>	<b>26,09,30,851.03</b>	-

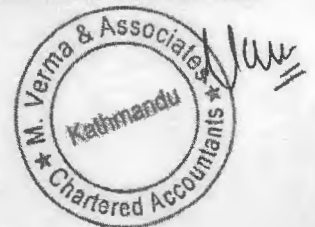
**11 Cash and Cash Equivalentents**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Cash in hand	6,74,372.68	44,465.60
Bank Balances with Banks	3,08,91,535.96	3,12,49,502.46
<b>Total</b>	<b>3,15,65,908.64</b>	<b>3,12,93,968.06</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**12 Bank Balances other than CCE**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Unpaid Dividend	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13 Other Financial Assets**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Bank Margin	2,31,48,961.54	2,47,71,774.50
Security deposit	52,93,784.68	19,79,426.68
<b>Total</b>	<b>2,84,42,746.22</b>	<b>2,67,51,201.18</b>

The fair values of all the above financial assets are equal to their carrying amounts. These advances are non-interest bearing and are expected to be settled in the normal course of operations.

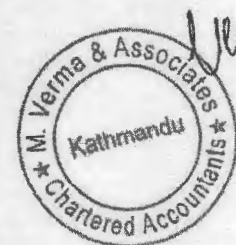
**14 Other Current Assets**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Advance to Creditors	-	3,63,63,749.83
Advance of Purchase of Land	7,78,26,200.01	-
LC Advance	-	4,23,74,290.06
VAT Receivable	16,46,19,312.97	10,96,53,997.86
Work Advance	8,15,611.45	46,79,016.47
Staff Advance	14,25,038.00	1,00,000.00
Marine Insurance	1,39,377.08	1,39,377.08
Prepaid Expenses	39,65,423.60	3,63,665.83
<b>Total</b>	<b>24,87,90,963.11</b>	<b>19,36,74,097.13</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**15 Share Capital**

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Equity is defined as residual interest in total assets of the Company after deducting all its liabilities.

Accordingly the share capital of the company comprises following equity types:

*Amount in NPR*

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised Capital</b> 1,45,00,000 shares of Rs. 100 each		1,45,00,00,000.00		1,45,00,00,000.00
		1,45,00,00,000.00		1,45,00,00,000.00
<b>Issued Capital</b> 1,45,00,000 shares of Rs. 100 each		1,45,00,00,000.00		1,45,00,00,000.00
		1,45,00,00,000.00		1,45,00,00,000.00
<b>Subscribed and fully Paid-up</b> (74,96,400 Shares of Rs 100 each) (40,00,000 Shares of Rs 100 each)		74,96,40,000.00		-
		-		40,00,00,000.00
<b>Total</b>		74,96,40,000.00		40,00,00,000.00

**15.1 Reconciliation of the number of ordinary shares**

*Amount in NPR*

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	40,00,000.00	40,00,00,000.00	-	-
Add: Shares issued during the year	34,96,400.00	34,96,40,000.00	40,00,000.00	40,00,00,000.00
<b>Balance as at the end of the year</b>	<b>74,96,400.00</b>	<b>74,96,40,000.00</b>	<b>40,00,000.00</b>	<b>40,00,00,000.00</b>

**15.2 Shareholding pattern of the company**


*Amount in NPR*

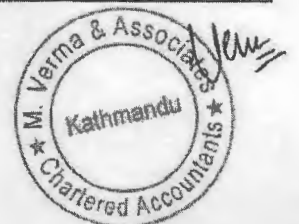
Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Kajaria Ceramics Ltd.	37,48,200	37,48,20,000.00	20,00,000.00	20,00,00,000.00
Pratik Jalan	10,86,978	10,86,97,800.00	5,80,000.00	5,80,00,000.00
Rohit Gupta	9,93,273	9,93,27,300.00	5,30,000.00	5,30,00,000.00
Sushil Gupta	8,43,345	8,43,34,500.00	4,50,000.00	4,50,00,000.00
Prasun Jalan	3,74,820	3,74,82,000.00	2,00,000.00	2,00,00,000.00
Sanjay Agrawal	1,87,410	1,87,41,000.00	1,00,000.00	1,00,00,000.00
Sandeep Kumar Agrawal	1,87,410	1,87,41,000.00	1,00,000.00	1,00,00,000.00
Himanshu Agrawal	74,964	74,96,400.00	40,000.00	40,00,000.00
<b>Balance as at the end of the year</b>	<b>74,96,400.00</b>	<b>74,96,40,000.00</b>	<b>40,00,000.00</b>	<b>40,00,00,000.00</b>

**15.3 Share Application money**

*Amount in NPR*

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Share Application money		48,98,14,992.00		-
Issued during the year		34,96,40,000.00		-
<b>Balance as at the end</b>		<b>14,01,74,992.00</b>		<b>-</b>

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*M. Verma & Associates*  




**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

16 Other Equity

16.1 Retained Earnings

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Balance up to Last Year	(2,06,73,647.48)	(12,12,848.56)
Profits for the Year	10,59,21,972.62	(1,94,60,798.92)
Other Comprehensive Income for the Year	-	-
<b>Total Comprehensive Income</b>	<b>8,52,48,325.14</b>	<b>(2,06,73,647.48)</b>
Less:		
Earlier Years' Tax	-	-
Earlier Years' Gratuity	-	-
Dividend Distribution	-	-
<b>Sub-Total (A)</b>	<b>8,52,48,325.14</b>	<b>(2,06,73,647.48)</b>

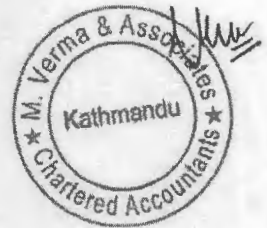
16.2 Revaluation Reserves

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Revaluation of Land &amp; Buildings:</b>		
Balance up to Last Year	-	-
NFRS Adjustments-Additions	-	-
Increase-(Decrease) during the year	-	-
<b>Sub-Total (B)</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>8,52,48,325.14</b>	<b>(2,06,73,647.48)</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**17 Long Term Borrowings**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
<u>Secured Loan</u>		-
Term loan*	1,64,84,21,000.16	35,43,21,000.17
<u>Unsecured Loan</u>	-	-
<b>Total</b>	<b>1,64,84,21,000.16</b>	<b>35,43,21,000.17</b>

**\*Secured Loan**

Term loan Facility has been disbursed by consortium of banks lead by the Everest bank limited. Such Loans has been secured by a pari-passu first charge over the Chargeable Fixed Assets and second charge over the chargeable current assets. Further, Personal guarantee has been given by the promoters and directors Viz, Rohit Gupta, Sushil Gupta, Pratik Jalan, Sanjay Aggrawal, Himanshu Aggrawal and Sandeep Kumar Aggrawal for the fifty percent of term loan exposure.

And also secured by the Stand by Letter of credit of M/S Kajaria Ceramics Limited, India for the fifty percent of term loan exposure until the currency of the loan before the release of the bank facility.

**18 Non-Current Lease Liabilities**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Lease Liability	4,78,82,846.09	4,45,22,493.86
Less: Current portion (Refer Note no. 22)	18,06,631.24	14,27,932.38
<b>Total</b>	<b>4,60,76,214.85</b>	<b>4,30,94,561.48</b>

**19 Non-current Provisions**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for CSR	-	-
Provision for Bonus	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**20 Current Borrowings**

Current Borrowings are interest bearing financial liabilities consisting of Bank Borrowings. For these financial liabilities interest charged by the bank approximates effective interest rate and such rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective rate is considered not material and the carrying value is considered approximate amortized cost.

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
<u>Secured Loans from Banks*</u>		
Bridge Gap Loan	54,74,03,399.93	56,31,25,394.81
Cash Credit	2,95,31,491.00	-
Working Capital Loan	52,07,44,653.01	-
Short Term Loan	-	-
<b>Total</b>	<b>1,09,76,79,543.94</b>	<b>56,31,25,394.81</b>

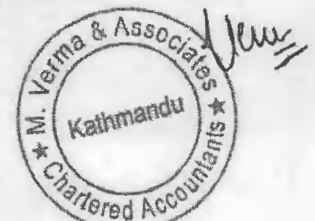
**21 Trade payables**

Trade payables are amount payable to creditors for goods and services and are non interest bearing. These trade payables are normally settled on credit period of 30 to 90 days.

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Payables	19,25,81,809.53	11,12,72,873.16
<b>Total</b>	<b>19,25,81,809.53</b>	<b>11,12,72,873.16</b>

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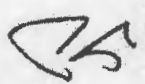



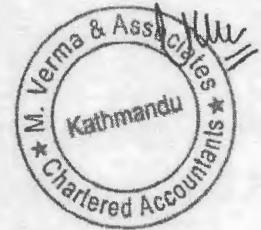
**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**22 Lease Liabilities (Current)**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Lease Liabilities (Refer no.18 )	18,06,631.24	14,27,932.38
<b>Total</b>	<b>18,06,631.24</b>	<b>14,27,932.38</b>



**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**23 Other Financial Liabilities**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Limited Review fee payable	1,48,875.00	73,875.00
Other payable	6,43,100.00	6,43,100.00
Staff Payable	8,52,991.59	32,94,123.85
Audit fee payable	3,42,697.92	-
Rent Payable	500.00	-
LC charge payables	-	82,912.48
Retainership Fee payable	-	-
LC payable	46,16,858.83	32,71,29,185.66
Provision for Interest	2,22,25,965.02	1,44,96,544.00
<b>Total</b>	<b>2,88,30,988.35</b>	<b>34,57,19,740.99</b>

**24 Other Current Liabilities**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
TDS Payable	1,13,18,971.07	20,55,213.71
Other Liabilities	15,73,901.39	-
TADA and Fuel Payable	(8,31,136.69)	-
Expenses payable	2,53,93,201.35	-
Laptop allowance payable	1,97,100.16	-
Employee PF and CIT Payables	4,74,138.00	9,730.00
<b>Total</b>	<b>3,81,26,175.28</b>	<b>20,64,943.71</b>

**25 Current Tax Assets-Liabilities (Net)**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	-	-
Add: Current tax payable for the year	-	-
Less: Advance tax paid (including TDS)	-	-
Less: Taxes paid other	-	-
<b>Current Tax (Assets )- Liabilities</b>	<b>-</b>	<b>-</b>

**26 Provisions**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for staff bonus	85,06,663.72	-
Provision for CSR	8,50,666.37	-
<b>Closing Balance</b>	<b>93,57,330.09</b>	<b>-</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**26.1 Provisions**

Provisions are recognized when the company has a present obligation, legal or constructive, as a result of a past event, it is probable that a transfer of a economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision is recognized.

The amount of provision recognized is the management's best estimate of expenditure required to settle the present obligation at the reporting date.

Management reviews provisions at each reporting date and is adjusted to reflect the best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

**26.2 Non- Current Provisions**

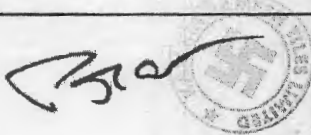
*Amount in NPR*

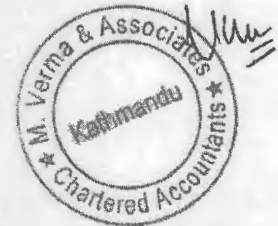
Particulars	As at 31 March 2025	As at 31 March 2024
<b>I. Provision for employee benefits</b>		
<b>Provision for Leave Encashment</b>		
Opening Balance	-	-
Addition	-	-
Adjustment	-	-
<b>Closing Balance</b>	-	-

**26.3 Provisions - Current**

*Amount in NPR*

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Provision for Bonus</b>		
Opening Balance	-	-
Addition	85,06,663.72	-
Payment	-	-
<b>Closing Balance</b>	85,06,663.72	-
<b>Provision for Corporate Social Responsibility</b>		
Opening Balance	-	-
Addition	8,50,666.37	-
Payment	-	-
<b>Closing Balance</b>	8,50,666.37	-
<b>Total</b>	<b>93,57,330.09</b>	<b>-</b>

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M. Verma & Associates  
Kathmandu  
Chartered Accountants

**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
For the Year Ended March 31, 2025

27 Revenue from Operations

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Sales	95,94,56,410.14	-
Less: Discount	(46,22,264.27)	-
<b>Other Operating Income</b>		
Other	-	-
<b>Total</b>	<b>95,48,34,145.87</b>	<b>-</b>

28 Other Income

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Foreign Exchange Income	12,70,519.53	-
Gain -(loss) On sale Of PPE	-	-
Interest Income	-	-
Other Misc Income	1,24,20,485.62	-
<b>Total</b>	<b>1,36,91,005.15</b>	<b>-</b>

29 Cost of Material Consumed

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Raw Materials	44,04,39,097.55	-
Packing Material Consumed	4,15,52,661.31	-
<b>Total</b>	<b>48,19,91,758.86</b>	<b>-</b>

29A Productions Expenses

Amount in NPR

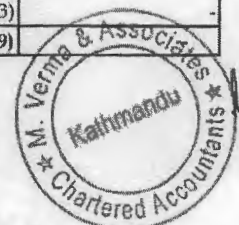
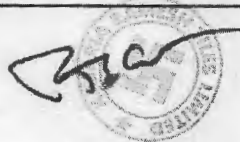
Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Power and Fuel Expenses	21,12,91,203.73	-
Electricity Expenses	4,04,63,223.51	-
Stores and Spares Consumed	3,56,17,123.71	-
Direct Packing & Forwarding Overhead	1,09,01,326.52	-
Direct Repair & Maintenance Overhead	-	-
Repair & Maintenance Expenses-D	1,93,004.00	-
Equipment Hiring Charges	83,60,113.77	-
Insurance Expenses	47,30,614.09	-
Salary & Wages	3,22,23,756.63	-
Security expenses	44,40,480.98	-
Depreciation	5,47,35,613.00	-
Outsources wages	6,57,70,345.18	-
<b>Total</b>	<b>46,87,26,805.12</b>	<b>-</b>

30 Changes in Inventories of Finished goods, Stock in Trade and Work in Progress

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Opening Inventories		
- Finished Goods	-	-
- Stock In Trade	-	-
- Work in Progress	-	-
Closing Inventories		
- Finished Goods	(30,31,22,406.71)	-
- Stock In Trade	(55,16,156.96)	-
- Work in Progress	(48,17,741.23)	-
<b>Total</b>	<b>(31,34,56,304.89)</b>	<b>-</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

31 Employee Benefit expenses Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Salaries, Wages and Bonus	2,66,43,931.46	1,21,79,968.84
Leave Enchashment expenses	12,55,737.48	-
Staff Welfare Expenses	8,47,396.45	3,03,605.52
<b>Total</b>	<b>2,87,47,065.39</b>	<b>1,24,83,574.36</b>

32 Finance Cost

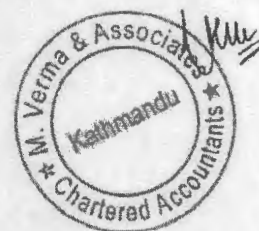
Finance Cost comprises of interest on short term loan, interest on Bank Overdraft and allied charges. All these costs are carried at amortized cost using effective interest rate which is assumed to be bank interest rate.

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Interest Expenses	4,39,49,625.57	-
Bank Charges	33,45,962.41	-
Interest on Lease Liabilities	57,66,810.30	17,08,509.30
<b>Total</b>	<b>5,30,62,398.28</b>	<b>17,08,509.30</b>

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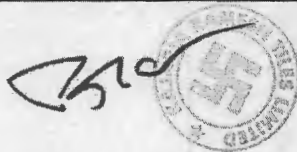


**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

33 Other Expenses

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Audit Fees Ashad end	1,97,916.67	1,50,000.00
Audit Fees March end	1,50,000.00	1,00,000.00
Certification fee	5,05,000.00	4,20,000.00
AMC Charges	9,06,312.31	-
Advertisement Expenses	1,28,51,110.90	5,95,090.00
TADA expenses	42,13,497.38	-
Business promotion expenses	52,92,735.80	15,97,296.88
Marketing & Branding	58,15,434.17	-
Sales Incentive Expenses	2,53,93,201.35	-
Scheme Expenses	5,47,56,243.14	-
Display center Expenses	1,31,766.00	-
Electricity & Water expenses	13,86,177.17	1,08,176.50
Donation Expenses	6,89,100.00	-
Staff Hiring Charges	3,02,421.05	-
Renew & Registration Expenses	1,50,947.78	31,594.00
Pooja expenses	5,97,322.41	90,266.00
Local conveyance	1,72,000.00	-
Office Expenses	6,64,980.15	13,480.00
Breakage Claim- Loss	18,35,535.91	-
Price Protection Account	19,76,162.40	-
Rent Expenses	8,92,222.24	-
Fuel Expenses	10,93,466.40	-
Vehicle Hiring expenses	16,10,380.00	-
Insurance expenses	3,96,160.10	-
Legal & Consultancy Expenses	23,17,000.00	11,02,410.00
Fee & Subscription Expenses	54,000.00	-
Postage & courier expenses	1,83,339.75	26,169.50
Email and Internet Expense	13,44,881.74	5,46,547.61
Telephone Expenses	88,034.08	1,90,472.70
Printing & Stationery Expenses	7,25,267.09	4,43,369.75
Lodging and Fooding Expenses	15,63,499.45	-
Travelling Expenses	32,52,514.04	16,98,146.50
Cleaning and House Keeping Expenses	1,44,674.02	-
Guest Entertainment Expenses	63,900.18	-
Repair & Mainternance -B	60,125.00	-
Repair & Mainternance -C	3,00,027.17	-
Visa procesing Fee	25,061.13	-
Geological and survey expenses	4,16,025.00	-
Misc Expenses	93,430.30	-
Medical Expenses	37,124.00	-
Kiln Light Up Ceremony Expenses	21,58,124.09	-
Bonus Expenses	85,06,663.72	-
CSR Expenses	8,50,666.37	-
<b>Total</b>	<b>14,41,64,450.46</b>	<b>71,13,019.44</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**34 Income Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

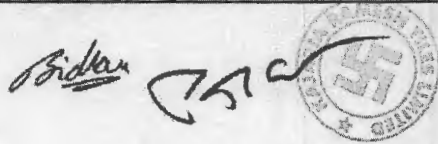
**A) Current Tax**

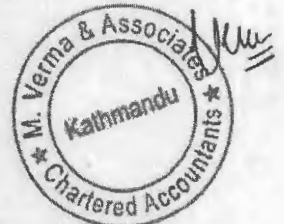
Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**B) Deferred Tax**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
<b>Current tax expense</b>		
Provision for income tax	-	-
Previous years tax	-	-
<b>Total Current Tax Expense</b>	-	-
<b>Deferred Tax</b>		
Origination and reversal of temporary differences	-	-
Recognition of previously unrecognized deferred tax assets	(2,17,06,001.78)	(47,71,741.24)
<b>Total Deferred Tax Income - (Expense)</b>	<b>(2,17,06,001.78)</b>	<b>(47,71,741.24)</b>
<b>Total Tax Expense for the Year</b>	<b>(2,17,06,001.78)</b>	<b>(47,71,741.24)</b>

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**35 Related Party Disclosure**

i) List of related parties where control exists and also other related parties with whom transactions have taken place and relationships:

S. No.	Name of Related Parties	Nature of Relationship
(a)	<b>Key Management Personnel (KMP):</b>	
	Pratik Jalan	Director
	Rohit Gupta	Director
	Himanshu Agrawal	Chief Operating Officer & Director
	Bidhan Pokharel	Finance Head

ii. The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Nature of Relationship	As at 31 March 2025	As at 31 March 2024
(a) Salary & Allowances:			
Himanshu Agrawal	Chief Operating Officer & Director	50,25,120.00	36,01,336.00
Bidhan Pokharel	Finance Head	38,79,816.54	36,18,941.35

(b) Purchase:	Nature of Relationship	As at 31 March 2025	As at 31 March 2024
Kajaria Ceramics Ltd	Joint Venture	67,83,406.31	-
Kajaria Infinity Pvt Ltd	Joint Venture	9,26,933.13	-
Litmus Industries Limited	Common Director	2,71,89,475.85	99,43,149.79
Ramesh Ceramics Ltd	Common Director	-	17,64,133.40
Tele Direct Pvt. Ltd	Common Director	2,57,387.16	77,943.00
Tele Digital Services Pvt. Ltd.	Common Director	4,73,632.42	3,01,964.16
Universal Electrocom Pvt. Ltd.	Common Director	3,31,256.63	15,12,293.01
Telenet Pvt. Ltd.	Common Director	7,18,753.57	2,11,215.09
Tele Talk Pvt.Ltd.	Common Director	1,67,581.16	1,72,574.73
Universal Trading Center Pvt. Ltd.	Common Director	1,25,836.73	42,205.50

(c) Sales	Nature of Relationship	As at 31 March 2025	As at 31 March 2024
Kajaria Ceramics Ltd	Joint Venture	1,08,41,096.32	-
Litmus Industries Limited	Common Director	1,64,776.45	-

(d) Purchase of land	Nature of Relationship	As at 31 March 2025	As at 31 March 2024
Roli Mital Jalan		-	13,25,57,766.00
Sakshi Bansal Gupta		-	11,02,41,656.00

iii. Outstanding Balances

Name of Related Parties	Nature of Relationship	As at 31 March 2025	As at 31 March 2024
Kajaria Ceramics Ltd	Joint Venture	62,97,710.65	
Kajaria Infinity	Joint Venture	92,66,933.13	
Litmus Industries Limited	Common Director	(36,55,958.43)	85,34,599.88
Ramesh Ceramics Ltd	Common Director	5,36,000.00	-
Tele Direct Pvt. Ltd	Common Director	(3,861.02)	-
Tele Digital Services Pvt. Ltd.	Common Director	3,68,848.59	-
Tele Talk Pvt.Ltd.	Common Director	-	1,70,283.91
Universal Trading Center Pvt. Ltd.	Common Director	-	42,205.50

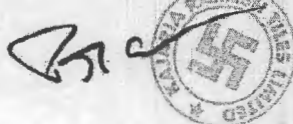
iv. Advance for land purchase

Name of Related Parties	Nature of Relationship	As at 31 March 2025	As at 31 March 2024
Roli Mital Jalan		1,09,49,400.00	-
Sakshi Bansal Gupta		6,68,76,800.00	-

**Terms and Conditions of Transactions with related parties**

Outstanding Balances at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**36 Declared and Proposed Dividends**

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared. Proposed dividends are disclosed in notes separately until declared.

**36.1 Declared and Approved during the year**

Amount in NPR

Particulars	As at 31 March 2025	As at 31 March 2024
Dividend on Ordinary Shares	-	-
Dividend on Ordinary Shares	-	-
<b>Total Dividend Declared</b>	<b>-</b>	<b>-</b>

**36.2 Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date)**

Particulars	As at 31 March 2025	As at 31 March 2024
Dividends on Ordinary Shares for the FY : 2023-24	-	-
Dividends on Ordinary Shares for the FY : 2024-25	-	-
<b>Total Dividend Proposed</b>	<b>-</b>	<b>-</b>

**37 Leases**

The company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied NFRS 16 with the date of initial application.

**37.1 Movement in the lease liability during the year:**

Amount in NPR

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	4,45,22,493.86	-
Add: Additions during the year	47,57,109.40	4,49,63,054.80
Add: Interest accrued during the year	57,66,810.30	17,08,509.30
Less: Payment of lease liabilities	71,63,567.47	21,49,070.24
Less: Derogation during the year	-	-
<b>Total</b>	<b>4,78,82,846.09</b>	<b>4,45,22,493.86</b>

**37.2 Maturity Analysis**

Amount in NPR

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	18,06,631.24	14,27,932.38
One to five years	2,24,95,940.55	1,60,38,191.48
More than five years	2,35,80,274.29	2,70,56,370.00
<b>Total</b>	<b>4,78,82,846.09</b>	<b>4,45,22,493.87</b>

**37.1 Company as lessee :**

**Disclosures for operating leases other than leases covered in NFRS 16**

The Company has entered into the following operating lease during the year.

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Lease expense recognised in the statement of profit and loss for the year	8,92,222.24	-

**37.2 Company as lessor :**

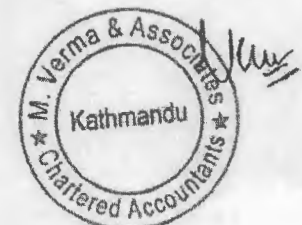
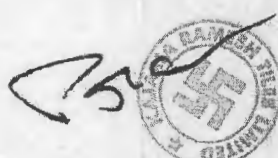
The Company has not entered into any operating lease during the year.

Future minimum lease receipts over non cancellable period of operating leases are as follows :

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
Lease income recognised in the statement of profit and loss for the year	-	-
The future minimum lease receivable over the next one year	-	-
The future minimum lease receivable later than one year but not later than five years	-	-

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

38 Earnings Per Share

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
I. Net profit attributable to Shareholders for Basic earnings	10,59,21,972.62	(1,94,60,798.92)
II. Net profit attributable to Shareholders for diluted earnings	10,59,21,972.62	(1,94,60,798.92)
III. Weighted average number of Ordinary Shares for basic EPS	64,61,848.77	40,00,000.00
<b>Effects of dilution:</b>		
IV. Weighted average number of ordinary shares adjusted for the effect of dilution	64,61,848.77	40,00,000.00
<b>Basic earnings per ordinary share</b>	<b>16.39</b>	<b>(4.87)</b>
<b>Diluted earnings per ordinary share</b>	<b>16.39</b>	<b>(4.87)</b>

39 Contingent Liabilities and Commitments

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

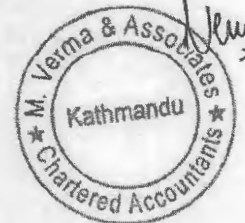
All the contingent liabilities and the commitments given by the Company are disclosed below:

Amount in NPR

Particulars	For the Year Ended 31-03-2025	For the year Ended 31-03-2024
(a) Contingent Liabilities		
(i) Performance Guarantees	-	-
(ii) Bank Guarantees	30,00,000	-

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**Kajaria Ramesh Tiles Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**For the Year Ended March 31, 2025**

**40 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprise trade and other receivables, investment in fixed deposits and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

**40.1 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 prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

**40.2 Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The company doesn't have any foreign currency exposure as at the date of reporting, therefore there is no foreign currency risk management policy.

**40.3 Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, Bank Guarantees and Sales Usage Letter of Credit where appropriate as a means of mitigating the risk of financial loss from defaults.

**40.3.1 Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and shipments to majority customers are covered by bank guarantees, Letter of Credit and other credit assurance facilities.

**40.3.2 Cash deposits**

Credit risk from balances with banks and financial institutions are managed by maintaining the balances with highly reputed Commercial banks only.

**40.4 Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. A material and sustained shortfall in the cash flow could undermine the Company's credit rating, impair investor confidence and also restrict the Company's ability to raise funds.

The Company maintains a cautious funding strategy to mitigate the liquidity risk. The Company's Finance Department regularly monitors the liquidity position to ensure it has sufficient liquidity on going basis to meet the operational needs. The Company monitors its risk to a shortage of funds on regular basis through cash forecast.

The Company maintains a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. Access to sources of funding is sufficient.

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