

December 27, 2025

**The National Stock Exchange of India Limited**  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (E)  
**Mumbai - 400 051**

**BSE Limited**  
P.J. Towers  
Dalal Street  
**Mumbai - 400 001**

Dear Sir,

**Re.: Transcript of Conference Call**

In continuation of our letter dated December 22, 2025, informing about the uploading of the audio recording of the Conference Call held on December 22, 2025, we enclose herewith transcript of the said Conference Call, in compliance of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above said transcript has been uploaded at the Company's website [www.kajariaceramics.com](http://www.kajariaceramics.com)

Kindly take the above on your record.

Thanking you,

For Kajaria Ceramics Limited

Ram Chandra Rawat  
COO (A&T) & Company Secretary

Encl.: As above

**Kajaria Ceramics Limited**

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**“Kajaria Ceramics Limited  
Update Conference Call”**

**December 22, 2025**



**MANAGEMENT: MR. CHETAN KAJARIA – VICE CHAIRMAN – KAJARIA CERAMICS LIMITED**

**MR. RISHI KAJARIA – MANAGING DIRECTOR –  
KAJARIA CERAMICS LIMITED**

**MR. SANJEEV AGARWAL – CHIEF FINANCIAL OFFICER  
– KAJARIA CERAMICS LIMITED**

**MR. PARVEEN GUPTA –DEPUTY VICE PRESIDENT,  
FINANCE – KAJARIA CERAMICS LIMITED**

**MR. ANUBHAV SHARMA – GM PURCHASE – KAJARIA  
CERAMICS LIMITED**

**MODERATOR: MS. SNEHA TALREJA – NUVAMA WEALTH  
MANAGEMENT LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Kajaria Ceramics Update Conference Call hosted by Nuvama Wealth Management Limited. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone.

Please note that this conference is being recorded. I will now hand the conference over to Ms. Sneha Talreja from Nuvama Wealth Management Limited for opening remarks. Thank you and over to you, Sneha.

**Sneha Talreja:** Thank you, Rehan. Good morning all. We welcome you to Kajaria Ceramics conference call to discuss regarding the fraud in the step-down fully-owned subsidiary of the company. We are here today joined by the senior management of Kajaria Ceramics represented by Mr. Chetan Kajaria, Vice Chairman, Mr. Rishi Kajaria, MD, Mr. Sanjeev Agarwal, CFO and Mr. Parveen Gupta, DVP Finance. We will now start with the opening remarks from the management followed by the Q&A. Over to you, Rishiji, for the opening remarks.

**Rishi Kajaria:** Thank you, Sneha. Good morning, everyone. I'll just start with a little background. In April 2025 in Kajaria, we started the unification process with a very clear objective to bring together our sales operations across India.

Earlier, the same dealers were being approached by multiple teams for vitrified and ceramic tiles. This unification was a strategic step towards a sharper focus, better coordination and stronger execution in the market. Building on the momentum in May 2025, we also launched Operation Manthan.

Operation Manthan was a structured review of all our internal systems, processes and business frameworks. We started with Kajaria Ceramics Limited, where the exercise helped us identify a lot of operational gaps as well as significant cost optimization opportunities. The outcomes were tangible and swift.

During the year, we have achieved cost savings of more than INR150 crores on an annualized basis. These efficiencies came from multiple areas, including reduction of manpower, cutting down travel expenses, reduction in reengineering of cartons and reduction of cost of packaging material, better raw material negotiations and overall plant operations of the company. However, we are not stopping here.

We have identified more areas where we will reduce the cost further. While Kajaria has always been a strong sales-driven organization, we believe that sustained leadership requires equal excellence in cost efficiency and governance as well. This exercise will continue till we achieve excellence in all the areas.

In August 2025, for the first time in the history of Kajaria, we also conducted a supplier meet to reinforce the new ethical business practices. A clear message was communicated -- zero tolerance for corruption or unethical conduct. Any deviation from this standard will not be acceptable and will be severely dealt with.

As part of the stronger governance framework, certain issues were identified at one of our step-down subsidiaries, Kerovit Global Pvt. Ltd., while we were in the last phase of correction. This was actually our last plant, which we put a new sanitary plant.

These were detected through enhanced systems, audits and controls, and appropriate corrective actions have been initiated. I want to emphasize that this reflects our commitment to transparency and robust governance going forward. This current episode may not have come to light had we not begun this process of systems processes and MIS audit that was initiated as part of Kajaria 2.0.

All-round improvement in productivity, purchases, cost and yield improvement, as well as rapid cost savings and enhancement of overall profitability will only help Kajaria to become the leader in the industry, not only for sales but in costs as well. To all our stakeholders, I would like to reassure that Kajaria's fundamentals remain very, very strong. We are optimistic about India's growth story and Kajaria's role in it.

This is Kajaria 2.0, where our philosophy is very, very clear. Bad news to be shared immediately and good news only to be shared on completion. Friends, our journey has just begun and the best is yet to come. Thank you. I invite you for any questions, please.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question and answer session. We take the first question from the line of Shaleen from UBS. Please go ahead.

**Shaleen:** Can we talk a little bit about...

**Sanjeev Agarwal:** Can you speak a bit louder, Shaleen, please?

**Shaleen:** Yes, Sanjeev ji. Can we speak a little bit in detail exactly what happened and like how this thing has, like what lead to it and what exactly, what the nature of, whatever the fraud or misappropriation of what has happened. Can we speak a little bit in detail and what was the basic reason behind it?

**Chetan Kajaria:** So, Shaleen, morning. In case of Kajaria Ceramics, we have a robust and automated vendor onboarding system already in place. This also involves a committee comprising of senior people from IT, Purchase, Accounts and the respective functional heads who approve the vendor onboarding. And in case of any project purchase, multiple bids are invited and given to an L1 vendor.

So, we have reviewed all the other subsidiaries and no discrepancies are found there. But we found some discrepancies in Kajaria, sorry, Kerovit Global. And to explain this vendor onboarding process in detail, I would like to hand it over to a senior purchase person, Mr. Anubhav, who caught the discrepancy there and can explain this process in much further detail.

**Anubhav Sharma:**

Hi, Shaleen ji. Good morning. My name is Anubhav. So, I will explain, I will just give you little bit details about how we are doing this process at Kajaria and other subsidiaries. In case of Kajaria, we have a very robust system of vendor onboarding at our end. Just I will explain you how we do it.

We have one party that is Sequelstring who is doing this onboarding management of many of the reputed organizations, including Kajaria. So, they give us the total solution from onboarding to direct payment. This is the first step what we are doing as of now. We are creating the vendor portal for Kajaria, Ceramics and all the subsidiaries. So, this is the first step where we are doing this activity.

The link, whenever we want to onboard any supplier, we just share the link to that supplier. They put all their details in their link and then ultimately all the verification and processes has been carried out through online portals where we have invested also on this process.

So, all GST number, PAN number, cheque, everything gets validated through the online portals of these websites. And finally, if there is any issue in their PAN, GST or anything, it immediately gives us message and we stop that activity immediately there itself. This is the first step which we have done in this process.

Second, after these all checks, finally it comes to us. We have the four members approval authority where we check each and every detail thoroughly and then finally approves it as a vendor onboarding process. So, once it completes and then finally it gives the message directly to the supplier and all the members of the authority that this vendor code has been already created in system and gives automatically message to supplier.

No manual intervention is there at all. So, this is the first step. So, this is the step of doing the new vendor onboarding. So, as per the management direction, we were having the clear mandate that whatever existing vendors are there, that should also come automatically on this portal. It should be migrated from earlier process to this process.

So, in this process, when we were doing this activity of migrating from the earlier process to this process, we found that there are some inconsistencies in this subsidiary, which was the last subsidiary where we were doing this activity.

So, when we deep down this activity, there we found the issue and then finally we highlighted this issue to management and then it finally comes to this level. So, this is the history and the process which we are doing as of now and how we are going to strengthen this process, this also I have explained to you that vendor portal has been in the process, which were there in Kajaria subsidiary already and finally now we are putting up to all the subsidiaries of Kajaria itself.

In coming, maximum it will take maybe 2 to 3 months, which will complete this activity to all the subsidiaries of Kajaria. So, this is the process. This is the submission from my side. So, if you have any particular question in this activity, you can ask me.

- Shaleen:** Sir, two questions. So, you are saying the process which you have in Kajaria was not there. So, what process was there and what issue did you find? Like you said, you found some issues, some discrepancy. Can you elaborate on that?
- Sanjeev Agarwal:** Yes. We were checking our capex total investment. During that process, some WIPs were open. So, this was, even the project is already complete and it was showing it as an open category. Then it comes into the criteria of discussion.
- Shaleen:** So, what exactly?
- Sanjeev Agarwal:** Shaleen, in the last financial year, there was a, in this particular subsidiary, the CWIP was to the extent of INR 6, 7 crores, which was a lapse on our part. We ignored that, so while doing this vendor onboarding, we came to know that this amount is going up. Then it came to light. Then we took that action.
- Shaleen:** So, what was the vendor? So, there was a, what vendor was, like is it a wrong vendor? What exactly has happened?
- Sanjeev Agarwal:** The person accused has created vendor in his own name.
- Shaleen:** Okay. So, it's a vendor fraud.
- Sanjeev Agarwal:** It's a vendor fraud. Yes. You can say that. But I don't know the matter is under investigation. But Prima Facie, yes, it is, and he has not even, and he has forged the signature of the approving authority management signature to mislead the other signatory who was doing online. So, he showed the forged approval to him to make him, there is a maker checker concept. So, for the maker, he showed the forged document to make this happen.
- Shaleen:** It's a fake vendor you're saying to stifle the funds?
- Sanjeev Agarwal::** Yes. Yes, exactly.
- Shaleen:** And, sir, how confident are we that this cannot be repeated? Like you mentioned a few things, but is there, will that sound completely, I'd say, the concept issue you're going to replace here. Will it make sure that nothing happens again in this?
- Rishi Kajaria:** Shaleen, just to answer, they have basically, this was the last step down subsidiaries where the expansion was still going on. That is where the advantage was taken. All other companies and subsidies are completely reviewed and there is no discrepancy there at all.
- Sanjeev Agarwal:** And we will further, we are going after this, we will be extra vigilant. We will, we are going to put more stringent system in all of our processes. We will further review, we will not stop that, though we have already done everything in Kajaria, we have checked, but we are in the process of rechecking, even we may go for forensic audit for this particular subsidiary.
- So, we will not leave anything, we will not allow this thing to happen again at all. So, whatever we need to do, we will do that for either for Kajaria Ceramics or for any of its subsidiaries. It

may take some time, but we are going to be very, very, very, very stringent in all the system and process. There will be no compromise at all.

**Rishi Kajaria:** We'll make complete watertight systems, very, very strict systems.

**Shaleen:** And sir, what's the view on this amount? Do you think you can get back anything, or how are you going to treat it in the financials?

**Sanjeev Agarwal::** How it is going to be treated in the financials? I think it should be shown as an exceptional thing, but still we are taking the opinion, but we or the auditor will decide, but 99% it will be shown as an exceptional expenditure.

**Shaleen:** Any chances of recovery of any?

**Management:** Actually, we have recovered on the very next day. He has given us around INR60 lakh back, and he has promised to pay more, but I cannot quantify how much amount. We are not very hopeful the full amount will be recovered. We are not hopeful even the half will be recovered. I can't really quantify, but he has promised to return some money. We have filed a police complaint against him. He is saying that he is arranging funds and he will try to return as much as possible.

**Shaleen:** All right, sir. I'll come back in a queue.

**Moderator:** Thank you. We take the next question from the line of Sneha Talreja from Nuvama Wealth Management Limited. Please go ahead.

**Sneha Talreja:** Hi, thanks for the opportunity. Just a couple of questions from my end. Firstly, how long has this employee been with you all? That's first, so that we can get to know what could have been the severity and how long this incident must have happened. Although you have mentioned that incident is from 2 years, but we still would want to know that?

**Rishi Kajaria:** He has been with us for the last 8 years. This thing has been happening for the last 2 years, but it was much lesser earlier. In the last 4 or 5 months, it increased a lot. That is how I think we got to know about things.

**Sneha Talreja:** But certainty of not having it before? Because he is an 8 year-old employee with us and has been loyal for so long?

**Rishi Kajaria:** Honestly, he was also reporting to our chief accounts officer, who has been with us for 37 years. I would say there was some judgment error on our part as well. It was a lapse of -- I mean, it happened.

**Sneha Talreja:** Secondly, this division is actually a very small segment for you all in the overall scheme of things. We only make about less than INR400-odd crores in revenues. We were making only about 4%-odd margin last year in this business. So really, overall, it's small in the scheme of things. And INR20-odd crores on that particular amount is a big number?

- Rishi Kajaria:** Smartly, how it happened was that we just put up a new plant in our Kerovit Global Company. We have put up a new sanitary plant. And using that as an advantage, he siphoned off the funds from the company.
- Sneha Talreja:** Do you mean in the form of investments, which is getting into place?
- Rishi Kajaria:** Sorry?
- Sneha Talreja:** You mean in the form of investments, which were going into the entire capex? This thing happened, so the capex number was big in the overall scheme?
- Rishi Kajaria:** Correct.
- Sneha Talreja:** Lastly, you also have a 15% private equity stakeholder in this, which is WestBridge. Any involvement from them, or what's their understanding or their comments on the situation?
- Sanjeev Agarwal:** We have informed the same as a governance. They need to know about it. We have informed them what has happened.
- Sneha Talreja:** Sir, what has been their involvement otherwise in the day-to-day operations or in the Board meetings are the same?
- Sanjeev Agarwal:** There is no day-to-day. That was a very passive investment.
- Sneha Talreja:** Thanks, I'll get back in the queue.
- Moderator:** Thank you. We take the next question from the line of Ritesh Shah from Investec. Please go ahead.
- Ritesh Shah:** Sir, no questions. All questions answered. Thank you so much.
- Moderator:** Thank you. We move on to the next question from the line of Praveen Sahay from PL Capital. Please go ahead.
- Praveen Sahay:** Thank you for the opportunity. Sir, just a clarification. This is related to the working progress CWIP, or is it a capex you have done to the new plant?
- Parveen Gupta:** Can you please repeat your question?
- Praveen Sahay:** So, once you have said that's related to the CWIP, that is related to the vendor. And again, in the last question you have said that's a new plant you had put in. So, is it related to the capex of the new plant, or is it related to the CWIP related to the vendor?
- Parveen Gupta:** It's related to capex of that new plant. Actually, capex was going on in between. He parked some entries in CWIP.
- Praveen Sahay:** Okay. And is there any insurance related to that, if that is a part of a capex?
- Parveen Gupta:** No, there is no insurance.



**Praveen Sahay:** Okay. Yes. Thank you. That's it, sir. Thank you.

**Moderator:** Thank you. We take the next question from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

**Rajesh Ravi:** Hi, sir. My question pertains to again the same. You mentioned that the recoverability seems to be quite difficult. And also you mentioned that most of the siphoning would have happened predominantly in the past four to five months and most of the siphoning would have happened through some business account of the erstwhile CFO. So, just want to understand where would the money would have subsequently been sent out because this is a considerable amount?

**Sanjeev Agarwal:** The police has asked for all his bank statement and they are checking them.

**Rajesh Ravi:** Okay. And what you mentioned is, if I heard it correct that most of the siphoning has happened in this financial year itself?

**Chetan Kajaria:** Correct.

**Rajesh Ravi:** Okay. Great. And lastly, you mentioned that, earlier you mentioned that three, four more months would be needed to complete the on-boarding process for all the vendors or is it already been done and this three to four months additional is for something else?

**Anubhav Sharma:** Sir, actually for Kajaria, we are already done for subsidiaries because we need to mitigate the data from existing to our new system. So, it will -- because this is the process where we have maybe around thousands of vendors where we are checking each and every vendor very carefully. That is the reason it will take around three months to mitigate the data and implement to this new process.

**Rajesh Ravi:** Okay. Thank you, sir. That's all from my end. Thank you.

**Moderator:** Thank you. We take the next question from the line of Sagar Jagtap from Marine Research. Please go ahead. Sagar, please unmute your line and proceed with your question. Sagar, are you there? Since there is no response, we'll move on to the next question. We take the next question from the line of Amreen Gulnaaz, who is an Individual Investor. Please go ahead.

**Amreen Gulnaaz:** Hello. Good morning to the management. My question is why was Kajaria 2.0 plan started? Was there any indication from the internal auditor or statutory auditor that this exercise is required because they found any deficiency or was there any indication at all from the internal or statutory auditor? And the second question at the initial...

**Sanjeev Agarwal:** Ma'am your voice was not very clear.

**Amreen Gulnaaz:** Yes, the exercise of Kajaria 2.0 plan was started, that was explained by the management at the initial call.

**Sanjeev Agarwal:** Correct.

- Amreen Gulnaaz:** So, why was it required? Did the internal auditor or statutory auditor suggested that this plan should be implemented or was there any role from the internal or statutory auditor pointing out that there may be some fraud because this is for two years and accounts are audited. What was the role?
- Rishi Kajaria:** I'll tell you. It was not pointed out to anybody. So, as I said in the beginning, in April we started a unification process in the company where we were aligning all the sales people together. At the same time, we also felt the need to understand our entire cost processes. And that is why we made an internal team and launched Operation Manthan. So, this was our internal team which got us all our -- you know, lot of things were taken out in our purchases and all that and this was the resultant of that.
- Amreen Gulnaaz:** Sir, will there be any change in the hiring process as this is committed by KMP? So, the management look out at the hiring process should also be changed?
- Chetan Kajaria:** So, we are strengthening our internal processes and systems and definitely we'll be more careful in the hiring in the future also. But more importantly is to put systems and controls in a place, so nobody can take advantage of the situation who are sitting in that seat.
- Sanjeev Agarwal:** It is going to be a system-based organization going forward, not a person-based organization.
- Amreen Gulnaaz:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Rahul Agarwal from Ikigai Asset. Please go ahead.
- Rahul Agarwal:** Yes. Hi, good morning and thank you for the opportunity. I just wanted to clarify a few things. We are referring to the balance sheet of Kerovit Global Private Limited, is that correct?
- Rishi Kajaria:** Correct, correct.
- Rahul Agarwal:** Okay. If I look at that 31st March, the capital work in progress number was about INR8.5 crores. Is this number, correct?
- Parveen Gupta:** Yes, yes, this number is correct.
- Rahul Agarwal:** Okay. So, I just wanted to clarify the estimation of overall payments which were made on account of CWIP was about INR20 crores. That's an estimate as of now and that number could be lower when the inquiry is basically complete. Is this understanding, correct?
- Parveen Gupta:** No, more or less this amount is correct. We have checked all the entries of last 2 years. So, this amount is correct. This will be approximately INR20 crores. That might be 19.9 or 19.7.
- Sanjeev Agarwal:** So would be around INR20 crores, plus/minus INR50 lakhs here and there.
- Rahul Agarwal:** Okay. So, if my understanding is correct, this INR20 crores was a payment made from Kerovit Global's balance sheet to a vendor who essentially was a self-payment to the CFO. And hence,

this entire transaction has to get reversed. Whatever recoveries happen, to that extent, the CWIP will get cancelled as per the auditor new accounting?

**Parveen Gupta:** Yes.

**Parveen Gupta:** Yes.

**Rahul Agarwal:** And then the balance will be written off in the subsidiary P&L. Is that correct?

**Rishi Kajaria:** Yes. Yes.

**Sanjeev Agarwal:** Exactly. Correct.

**Rahul Agarwal:** Against the net worth of Kerovit Global. Is that correct?

**Parveen Gupta:** Yes.

**Sanjeev Agarwal:** Yes.

**Rahul Agarwal:** Okay. Perfect. And just lastly, because this was part of the capex and this capex actually hasn't really happened, would we need to complete capex at the sanitary ware plant? Or is it largely done and this was over and above? This was not really necessary?

**Rishi Kajaria:** It's all done. The plant is in production and the capex was all done. There is not going to be any expenditure in capex, in this plant as capex.

**Rahul Agarwal:** Okay. Got it. Very clear. Thank you so much.

**Moderator:** Thank you. We take the next question from the line of Keshav Lahoti from HDFC Securities. Please go ahead.

**Keshav Lahoti:** Hi. Thank you for the opportunity. Sir, firstly, this INR20 crores number which you have completed, the employees also accepting this INR20 crores number, we both are on same page.

**Chetan Kajaria:** Yes.

**Keshav Lahoti:** And secondly, you said the recovery might be tough. So both are on same page INR20 crores, right? But the employees are accepting that, taken 20, right? So, why do you think the recovery would be tough if the employee has taken INR20 crores possibly he might be having the funds with him? So why so recovery should be tough and what is the status of the employee? Is he put behind the bar right now?

**Sanjeev Agarwal:** So this is, we have already filed a complaint with the local police station and Economic Offences Wing. And they are -- he is under interrogation and based on the feedback from him and based on his feedback, we presume that it is not going to be, because we don't know where he is putting the money.

We are still in tracing the trail. Maybe he may have speculated or have diverted money. We are not very sure about it. We can't say anything better like conservative and if the more amount

come, we will be more happy for that. We don't want to give any false hope to shareholders that the money will come.

- Keshav Lahoti:** Understood. Got it. And out of this INR20 crores, how much would be in this financial year and possibly how much was in earlier financial year? And whether this amount was, you know, depreciation was charged in this amount or it was sitting in CWIP and no depreciation was charged in earlier?
- Sanjeev Agarwal:** Depreciation was not charged because it was in capital working progress last year. So last year was INR6 crores and INR14 crores this year.
- Keshav Lahoti:** Got it. So this was in CWIP or future set? Because CWIP only charging depreciation. Not bit clear on that part.
- Parveen Gupta:** It was in CWIP.
- Keshav Lahoti:** So it was in CWIP, then no depreciation would have been charged on this amount, right?
- Parveen Gupta:** No depreciation was charged.
- Keshav Lahoti:** Sorry, I missed you.
- Parveen Gupta:** No depreciation was charged. It was completely CWIP.
- Keshav Lahoti:** Understood. Got it. That is helpful. Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Rishabh Botra from Anand Rathi Institutional Equities. Please go ahead.
- Rishabh Botra:** Good morning, sir. Just wanted to understand...
- Moderator:** Rishabh, I'm sorry to interrupt you, but your audio is not clear.
- Rishabh Botra:** Is it better now?
- Moderator:** This is better. Please go ahead.
- Rishabh Botra:** So I was saying that I'll step backwards and understand whenever there is a capex program and RSU is there to supply it. So is there any person involved other than the CFO, either from the procurement team or the inventory team? Because whenever the inventory is made, there has to be a system against which payments are made. So how come without inventory coming into the system, payments have been made to the supplier? And is it a single supplier fraud or a multiple supplier fraud?
- Parveen Gupta:** No, it is a single person fraud. He misrepresented to his juniors that he has some approval for paying some advances. It was not some raw material. It was advance for some machinery.
- Rishi Kajaria:** Where he forged the Chairman's signature as well.

**Parveen Gupta:** So he paid as advance.

**Rishabh Botra:** Got it.

**Moderator:** Thank you. We take the next question from the line of Rajesh Ravi from HDFC Securities. Please go ahead.

**Rajesh Ravi:** Yes. Hi sir. Just a follow-up question. See, this INR20 crores, which was all in CWIP, and as you mentioned that this was, you know, a forged advance payment towards purchase of some machinery. Sir, I just wanted to understand, you know, given that most of your capex was already done, so did it not raise red flags immediately when, you know, this being INR20 crores?

And what is the quantum of the total capex which was done in this subsidiary? And what could have taken it such delays to identify this? This is commendable that you could have identify this and bring it to notice of everyone and do the procedural thing of raising it with filing a complaint?

**Parveen Gupta:** No, this company was started capex in last year, around May 2023. Then entire year capex was going on and total capex was approximately INR120 crores. Out of this INR120 crores, CWIP was very small amount, negligible amount, INR8 crores. In this INR8 crores, he hidden that amount of INR6 crores, INR7 crores. So capex was going on regularly and he misrepresented to his junior that he had some management approval for some advances.

**Rajesh Ravi:** And when the capex was already over and incremental INR14 crores, you know, advance payout in this financial year, if I understand correct, you know, and that would be the only capex or advance related to this expansion, which would have gone through this financial year?

**Parveen Gupta:** Yes, INR14 crores this year.

**Rishi Kajaria:** Out of that also last 3 months, he had taken a lot of money and that is how it was...

**Sanjeev Agarwal:** And he has not done the bank reconciliation for last 3, 4 months, so that is why the bank did not come as he was the CFO. It was under -- it was not booked in this year as CWIP. It was lying in a bank reconciliation, some portion, it is lying in the bank reconciliation.

**Parveen Gupta:** For last quarter.

**Parveen Gupta:** For last quarter; October, November, December.

**Rajesh Ravi:** Okay. And just to understand the technicalities, because this is into a subsidiary, which doesn't have its own large network, most of the payment for such advance payment, the money would be coming in through stand-alone, the parent company?

**Parveen Gupta:** No, this company was having itself CC limits.

**Rajesh Ravi:** Okay, okay. So, there was no technical approval or any automated approval in the online system, which would have been requiring authorization from the parent CFO?

- Parveen:** No, no, because they were having their own CC limits, and as I already explained that he was misrepresented to his junior, that he had some management approvals by forge document. He transferred money to this vendor on his own name.
- Rajesh Ravi:** Okay. Sir, and last question, the initial remark when you all mentioned that you have saved the project 2.0, which is undergoing INR100 crores savings. So, could you just quantify under what heads how much savings have been accrued?
- Rishi Kajaria:** So, actually the total is about INR150 crores. On an annualized basis. On an annualized basis. Where about INR80 to INR90 crores would be on raw materials. In the plant, you know, plant negotiations, we re-engineered the cartons, better negotiation with the raw material suppliers. So, INR80 to INR90 crores would be in tunes of that.
- INR20 to INR25 crores was in manpower, where we reduced the manpower after the unification. About INR15 crores was on travel. We reduced our travel expenses overall in the company of the employees and the directors, everybody. And promoters have also sacrificed their salary. So, INR15 crores came from there.
- Rajesh Ravi:** Okay. And what portion of these costs are recurring in nature in terms of which will continue to remain, which need not be re-incurred in subsequent year as you would also be targeting growth?
- Sanjeev Agarwal:** So, the saving which we have done will continue. This is going to be structured. That is, we have done and that will remain for all the years. And even as we said, our MD has said in the opening remarks that we are not stopping here. We have identified more areas where we will be reducing the cost further. So, this is one event where we have saved also. We have lost also, INR20 crores.
- Rishi Kajaria:** See, we started this operation Manthan. We have also drank the nectar of INR20 crores and poison of INR20 crores also came out.
- Rajesh Ravi:** No, no, that's agreed.
- Rishi Kajaria:** So, see, it is like this. Yes, this was a hard work. But we are happy that going further from here on, we will be much, much, much stronger and a leaner and meaner organization.
- Rajesh Ravi:** Correct. And sir, this INR150 crores run rate has been achieved in both Q1 and Q2. Is that understanding correct?
- Sanjeev Agarwal:** No, no, it is, see, it is on an annualized basis. It is not that... Yes, yes, annualized. Every quarter we have been saving. Every quarter, see, our margin has increased from 10%, 11% from the Q4. So, there was some one-offs also there to 17% or 18%. So, that is, that's a gradual process. The major low-hanging fruit we have already taken. The balance saving is also there.
- But it is not that easy. It will take some time. It will take few more quarters. But we are not stopping. We have been continuously identifying where even minutest of detail we are going, where, where we can save. As the MD said, that we are, we are a leader in sales. We need to be a leader in our cost also.

- Rajesh Ravi:** Correct. So, what I wanted to understand, this INR40-INR50 crores quarterly savings run rate, given the annualized INR150 crores savings, how much of that is already in place? I am just trying to understand H2 versus H1. What sort of first saving number will be there?
- Sanjeev Agarwal:** No, no. Please, please, please, please stop here. Because this is not a, this is a special call, for the normal call we need to take two days clear notice to the investor. We have done this call on a shorter notice. So, I would request you to restrict the question, for this particular issue only. Because that will not be fair on my part to discuss the other business question. The other business question we can discuss on our next call after the Q3, please.
- Rajesh Ravi:** Yes, yes. Thank you, sir. Thank you. All the best.
- Rishi Kajaria:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for their closing comments.
- Chetan Kajaria:** So, thank you everyone for your attendance. And we do admit there was a lapse in our systems and controls. But going forward, we are taking all steps to rectify that. The systems and processes will be much stronger going forward in the future. And we are more fitter and stronger organization from here on. Thank you so much.
- Rishi Kajaria:** Thank you. And just to add to that, that yes, Kajaria will be much, much better off from here on.
- Moderator2023:** Thank you. On behalf of Nuvama Wealth Management Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.