Walker Chandiok & Co LLP
RE 11, 1st Floor,
Near Vikramnagar, Iscon, Ambli
Road, Ambli,
Ahmedabad - 380 058
Gujarat, India

Independent Auditor's Report

To the Members of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial

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controls with reference to financial statements in place and the operating effectiveness of such controls;

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

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

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

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

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

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

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

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

    b) Except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

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

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

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 13(b) above on reporting under section 143(3)(b) of the Act and

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paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

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

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

i. the Company, as detailed in note 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;

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

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

iv.

I. The management has represented that, to the best of its knowledge and belief, as disclosed in note 57I to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

II. The management has represented that, to the best of its knowledge and belief, as disclosed in note 57I to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

vi. As stated in Note 60 to the standalone financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, other than the consequential impact of the exceptions given below, the

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audit trail has been preserved by the Company as per the statutory requirements for record retention from the date the audit trail was enabled for the accounting software.

I. the audit trail feature was not enabled at the application level for the period 1 April 2024 to 4 April 2024;

II. the audit trail feature was not enabled at database level to log any direct data changes; and

III. The audit trail has not been preserved at the application level for the period from 1 April 2023 to 31 March 2024 for one accounting software which has been discontinued during the current year.

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

M. Janani

Mehulkumar Sharadkumar Janani
Partner
Membership No.: 118617
UDIN: 25118617BMOMYO8593

Place: Ahmedabad
Date: 26 June 2025

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Annexure A referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) on the standalone financial statements for the year ended 31 March 2025

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

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

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

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 5 and 7 to the standalone financial statements, are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.

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

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

(b) As disclosed in Note 27(a.2) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

Name of the Bank / financial institution	Working capital limit sanctioned (Rs. In Millions)	Nature of current assets offered as security	Quarter	Information disclosed as per return (Rs. In Millions)	Information as per books of accounts (Rs. In Millions)	Difference (Rs. In Millions)
HDFC Bank	750.00	Inventory and Book Debts	Jun-2024	5,653.23	5,327.04	326.19
			Sep-2024	6,018.05	5,664.34	353.71
ICICI Bank	500.00		Dec-2024	6,161.46	6,211.03	49.57
SBI Bank	800.00		Mar-2025	6,142.11	5,740.77	401.34

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(iii) The Company has not made investments in, provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted loans to Companies and firms during the year. Further, the Company has granted unsecured loans to limited liability partnership and other parties during the year, in respect of which:

(a) The Company has provided loans to Subsidiary and Others during the year as per details given below:

(Amount in Millions)

Particulars	Loans
Aggregate amount provided/granted during the year;	
- Subsidiary	10.00
- Others	20.04
Balance outstanding as at balance sheet date;	
- Subsidiaries	427.13
- Joint Venture	40.54
- Associate	17.72
- Others	17.94

(b) The Company has not made any investment, provided any guarantee or given any security during the year. In our opinion, and according to the information and explanations given to us, terms and conditions of the grant of all loans provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.

(d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

(e) In respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated. According to the information and explanation given to us, such loans have not been demanded for repayment as on date.

(f) The Company has granted loans which are repayable on demand, as per details below;

(Amount in Millions)

Particulars	Loans
Aggregate of loans	
- Repayable on demand	503.33
Total	**503.33**
Percentage of loans	100.00

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) on the standalone financial statements for the year ended 31 March 2025

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

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

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

(vii)(a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

Name of the statute	**Nature of dues**	**Gross Amount** (Rs. In Millions)	**Amount paid under Protest** (Rs. In Millions)	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act 1961	Income Tax	0.19	0.06	AY 2015-16	Commissioner of Income tax (Appeals)
		1.45	-	AY 2016-17	
		51.24	9.00	AY 2018-19	Commissioner of Income tax (Appeal)
		0.18	-	AY 2021-22	
Central Excise Act 1944	Excise Duty	55.31	8.00	FY 2004-08	Commissioner of central excise
		1.33	-	Feb 2015 - Dec 2015	CESTAT, Ahmedabad

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) on the standalone financial statements for the year ended 31 March 2025

Name of the statute	**Nature of dues**	**Gross Amount** (Rs. In Millions)	**Amount paid under Protest** (Rs. In Millions)	**Period to which the amount relates**	**Forum where dispute is pending**
Goods and Service Tax Act, 2017	Goods and Service Tax	2.93	1.28	Jul 2017-Mar 2018	Deputy Commissioner State Tax
		3.71	0.18	FY 2018-19	
		2.40	0.10	FY 2021-22	
		0.96	0.05	FY 2019-20	Divisional Deputy Commissioner of State Tax (Appeals)
Water (Prevention & Control of Pollution) Act 1974 And Air (Prevention & Control of Pollution) Act 1981	Water and Air Act	9.66	0.10	FY 2019-20	Deputy Director, DGGI
		22.43	2.24	FY 2019-20	

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

(ix)

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

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

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

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

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) on the standalone financial statements for the year ended 31 March 2025

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

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

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

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

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

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

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

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

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

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) on the standalone financial statements for the year ended 31 March 2025

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

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

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

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

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

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

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

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

Mehulkumar Sharadkumar Janani
Partner
Membership No.: 118617
UDIN: 25118617BMOMYO8593

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Place: Ahmedabad
Date: 26 June 2025

Annexure B

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

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

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

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

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

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

Mehulkumar Sharadkumar Janani
Partner
Membership No.: 118617
UDIN: 25118617BMOMYO8593

Place: Ahmedabad
Date: 26 June 2025

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Standalone Balance Sheet as at 31 March 2025
(Amount in ₹ Millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	5,295.54	5,718.22
Capital work in progress	6	101.87	23.78
Right of use of assets	7	139.61	149.48
Other Intangible assets	8	11.18	7.62
Financial assets			
(i) Investments	9	1,010.48	1,009.89
(ii) Other financial assets	10	26.55	55.02
Deferred tax asset (net)	11	40.51	91.20
Non current tax assets (net)	33	4.20	-
Other non-current assets	12	11.03	36.03
Total Non-Current Assets		**6,640.97**	**7,091.24**
Current Assets			
Inventories	13	2,364.95	1,460.04
Financial assets			
(i) Trade receivables	14	3,375.82	2,949.57
(ii) Cash and cash equivalents	15	810.71	911.38
(iii) Bank balances other than cash and cash equivalents	16	309.06	35.96
(iv) Loans	17	503.33	507.39
(v) Other financial assets	18	66.55	73.13
Other current assets	19	206.33	230.44
Total Current Assets		**7,636.75**	**6,167.91**
TOTAL ASSETS		**14,277.72**	**13,259.15**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20(a)	403.25	399.66
Instruments entirely equity in nature	20(b)	-	175.76
Other equity	21	6,889.80	6,339.16
Total Equity		**7,293.05**	**6,914.58**
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	22	1,763.63	2,030.28
(ii) Lease Liability	23	132.42	133.41
(iii) Other financial liabilities	24	-	47.56
Provisions	25	43.10	37.62
Other non-current liabilities	26	351.53	440.00
Total Non-Current Liabilities		**2,290.68**	**2,688.87**
Current Liabilities			
Financial liabilities			
(i) Borrowings	27	2,293.65	1,163.58
(ii) Lease Liability	23	17.92	18.10
(iii) Trade payables	28		
(a) total outstanding dues of micro enterprises and small enterprises		25.85	6.35
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,778.94	1,721.09
(iv) Other financial liabilities	29	399.60	610.65
Contract liabilities	30	67.89	94.53
Other current liabilities	31	106.89	15.61
Provisions	32	3.25	3.13
Current tax liabilities (net)	33	-	22.66
Total Current Liabilities		**4,693.99**	**3,655.70**
TOTAL LIABILITIES		**6,984.67**	**6,344.57**
TOTAL EQUITY AND LIABILITIES		**14,277.72**	**13,259.15**

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 26/06/2025

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora
Managing Director
DIN: 02718600
Place: Ahmedabad
Date: 26/06/2025

Hiren Varmora
Director
DIN: 05162353
Place: Ahmedabad
Date: 26/06/2025

Bhavesh Koshti
Chief Financial officer
Place: Ahmedabad
Date: 26/06/2025

Nilesh Sharma - ACS
Company Secretary
M.No. 32273
Place: Ahmedabad
Date: 26/06/2025

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Standalone Statement of profit and loss for the year ended 31 March 2025
(Amount in ₹ Millions, unless otherwise stated)

Particulars	Notes	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
INCOME			
Revenue from operations	34	13,128.17	12,839.97
Other income	35	510.93	387.32
Total Income		**13,639.10**	**13,227.29**
EXPENSES			
Cost of materials consumed	36	3,469.87	2,263.60
Purchases of stock-in-trade	37	3,027.91	4,773.58
Change in inventories of finished goods, work in progress and stock-in-trade	38	(859.09)	(79.50)
Employee benefits expenses	39	1,027.50	905.17
Finance costs	40	347.72	193.69
Depreciation and amortisation expense	41	1,013.90	427.54
Other expenses	42	5,180.48	4,165.19
Total Expense		**13,208.29**	**12,649.27**
Profit before tax		**430.81**	**578.02**
Tax expense			
Current tax	11	95.29	158.65
Deferred tax	11	50.14	(0.52)
Earlier year tax adjustments	11	(2.95)	(3.64)
Total Tax Expense		**142.48**	**154.49**
Profit for the year		**288.33**	**423.53**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on defined benefit plans		2.20	2.88
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.55)	(0.73)
Other comprehensive income for the year, net of tax		**1.65**	**2.15**
Total comprehensive income for the year		**289.98**	**425.68**
Earnings per Equity Share			
Basic Earning per Equity Share	43	1.43	2.10
Diluted Earning per Equity Share	43	1.42	2.10

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 26/06/2025

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora	**Hiren Varmora**	**Bhavesh Koshti**	**Nilesh Sharma - ACS**
Managing Director	**Director**	**Chief Financial officer**	**Company Secretary**
DIN: 02718600	DIN: 05162353		M.No. 32273
Place: Ahmedabad	Place: Ahmedabad	Place: Ahmedabad	Place: Ahmedabad
Date: 26/06/2025	Date: 26/06/2025	Date: 26/06/2025	Date: 26/06/2025

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Standalone Cash Flow Statement for the year ended 31 March 2025
(Amount in ₹ Millions, unless otherwise stated)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Cash Flow from Operating activities		
Net Profit before Tax	430.81	578.02
Adjustments for :		
Depreciation and amortisation expense	1,013.90	427.54
Expected credit loss	(204.10)	186.98
Interest income on security deposit	(0.46)	(0.43)
Interest income on fixed deposits with banks and loan to employees	(73.79)	(124.64)
Government grant Income	(88.47)	(152.53)
ESOP expense	88.50	31.58
Interest expenses on borrowings	323.30	173.42
Other finance cost	12.60	8.49
Interest on lease liabilities	11.82	11.78
Fair value gain on mutual fund	(0.59)	(0.57)
(Profit)/ Loss on sale of assets	17.76	(1.39)
(Gain) / Loss on fair value of call option measured at FVTPL	(5.97)	4.50
(Gain) / Loss on fair value of Differential voting right (DVR Shares)	(34.51)	3.55
Sundry balances written back	(3.72)	(2.93)
Interest income on inter corporate loans	(40.65)	(43.15)
Operating profit before working capital changes	**1,446.43**	**1,100.22**
Change in operating assets and liabilities		
(Increase) in inventories	(904.91)	(66.48)
(Increase)/Decrease in trade receivables	(222.15)	47.66
Decrease in other current and non current financial assets	19.25	(13.71)
(Increase)/Decrease in other current and non -current assets	24.11	(71.85)
Increase/(Decrease) in trade payables	81.07	(238.22)
Increase in other current and non-current financial liabilities	57.67	146.45
Increase/(Decrease) in contract liabilities	(26.64)	12.45
Increase/(Decrease) in other current and non-current liabilities	91.28	(76.32)
Increase in provisions	7.80	9.20
Cash generated from operations	**573.91**	**849.40**
Income tax paid, net	(119.20)	(185.63)
Net cash flows from Operating activities (A)	**454.71**	**663.77**
Cash Flow from Investing activities		
Payment for property, plant and equipment and capital work in progress (including capital creditors and capital advances)	(995.39)	(3,423.08)
Proceeds from sale of property, plant and equipment	93.46	21.42
Payments for intangible asset	(5.39)	(6.49)
Payments towards acquisition of additional interest in subsidiaries	-	(145.95)
Proceeds from / (investment in) fixed deposit, net	(245.16)	(1.98)
Net proceeds from / (investment in) loans	4.06	(10.27)
Interest received	108.77	183.22
Net cash flows used in Investing activities (B)	**(1,039.65)**	**(3,383.13)**
Cash Flow from Financing activities		
Principal and interest payment of lease liability	(30.19)	(28.06)
Buyback of Differential voting right (DVR Shares)	(13.05)	-
Proceeds from long term borrowings	211.57	2,002.43
Repayment of long term borrowings	(340.57)	(254.01)
Proceeds from / (Repayment of) current borrowings, net	992.45	(152.97)
Interest expense paid	(335.94)	(183.49)
Net cash flows from Financing activities (C)	**484.27**	**1,383.90**
Net (decrease) in cash and cash equivalents (A+B+C)	**(100.67)**	**(1,335.46)**
Cash and cash equivalents at the beginning of the year	911.38	2,246.84
Cash and cash equivalents at the end of the year	**810.71**	**911.38**

WALKER CHANDIOK & Co LLP
CHARTERED ACCOUNTANTS

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Standalone Cash Flow Statement for the year ended 31 March 2025
(Amount in ₹ Millions, unless otherwise stated)

Cash and cash equivalents comprise (refer note 15)	As at 31 March 2025	As at 31 March 2024
Balances with banks	11.35	23.22
Fixed deposits with original maturity of less than 3 months	794.86	884.14
Cash on hand	4.50	4.02
Total cash and cash equivalents at end of the year	**810.71**	**911.38**

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 26/06/2025

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora
Managing Director
DIN: 02718600
Place: Ahmedabad
Date: 26/06/2025

Hiren Varmora
Director
DIN: 05162353
Place: Ahmedabad
Date: 26/06/2025

Bhavesh Koshti
Chief Financial officer
Place: Ahmedabad
Date: 26/06/2025

Nilesh Sharma - ACS
Company Secretary
M.No. 32273
Place: Ahmedabad
Date: 26/06/2025

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Standalone Statement on Changes in Equity for the year ended 31 March 2025
(Amount in ₹ Millions, unless otherwise stated)

(A) Share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and fully paid up				
Balance at the beginning of the year	7,99,31,244	399.66	1,33,21,874	133.22
Add: Share split during the year	11,98,96,866	-	1,33,21,874	-
Add: Bonus share issued during the year	-	-	5,32,87,496	266.44
Add: Conversion into Equity shares	17,96,998	3.59	-	-
Balance at the end of the year	**20,16,25,108**	**403.25**	**7,99,31,244**	**399.66**

(B) Instruments entirely equity in nature

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,75,75,866	175.76	1,75,75,866	175.76
Less: Conversion into Equity shares	(1,75,75,866)	(175.76)	-	-
Balance at the end of the year	-	-	**1,75,75,866**	**175.76**

(C) Other equity

Particulars	Reserves and surplus					Total
	Share based payment reserve	Securities Premium	Capital redemption reserve account	Retained earnings	Capital contribution from group	
Balance as at 1 April 2023	-	4,151.83	65.74	1,910.36	20.41	6,148.34
Add: Profit for the year	-	-	-	423.53	-	423.53
Add: Other comprehensive income for the year, net of tax	-	-	-	2.15	-	2.15
Add: Share based payment reserve	31.58	-	-	-	-	31.58
Less: Issue of bonus shares	-	(266.44)	-	-	-	(266.44)
Balance as at 31 March 2024	31.58	3,885.39	65.74	2,336.04	20.41	6,339.16
Balance as at 1 April 2024	31.58	3,885.39	65.74	2,336.04	20.41	6,339.16
Add: Profit for the year	-	-	-	288.33	-	288.33
Add: Other comprehensive income for the year, net of tax	-	-	-	1.65	-	1.65
Add: Share based payment reserve	88.50	-	-	-	-	88.50
Add: Conversion into Equity shares	-	172.16	-	-	-	172.16
Balance as at 31 March 2025	120.08	4,057.55	65.74	2,626.02	20.41	6,889.80

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 26/06/2025

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora	Miren Varmora	Bhavesh Koshti	Nilesh Sharma - ACS
Managing Director	Director	Chief Financial officer	Company Secretary
DIN: 02718600	DIN: 05162353		M.No. 32273
Place: Ahmedabad	Place: Ahmedabad	Place: Ahmedabad	Place: Ahmedabad
Date: 26/06/2025	Date: 26/06/2025	Date: 26/06/2025	Date: 26/06/2025

1 General Information

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) (the 'Company') is a domestic limited company with registered office situated at 8-A, National Highway At Dhuva, Tal. Wankaner Dist. Rajkot - 363641. The Company is engaged in manufacturing and trading of Ceramic Tiles.

The Company has converted from private limited company to public limited company, pursuant to special resolution passed in the extra ordinary general meeting held on 30 April 2025 and consequently the name of the company has changed to Varmora Granito Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 14 May 2025.

2 Material accounting policy information

Material accounting policies adopted by the Company are as under:

2.01 Basis of Preparation

(a) Statement of Compliance with Ind AS

The financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS').

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative Financial Instruments
- Defined Benefit Plans – Plan Assets measured at fair value; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Classification into current and non-current:

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

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. The asset/liability is expected to be realised/settled in the Company's normal operating cycle;
ii. The asset is intended for sale or consumption;
iii. The asset/liability is held primarily for the purpose of trading;
iv. The asset/liability is expected to be realised/settled within twelve months after the reporting period;
v. The asset is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
vi. In case of liability, the Company does not have unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

The financial statements are presented in Indian Rupees, which is Company's Functional Currency and all values are rounded off to the nearest Millions rupees, unless otherwise indicated.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for estimates and judgments.

2.02 Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Freehold land is carried at cost and is not depreciated. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the PPE and is recognised in the Statement of Profit and Loss.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

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Depreciation methods, estimated useful lives

Based on technical assessment by the management or as useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. Freehold land is not depreciated. Depreciation on PPE other than freehold land has been provided on diminishing balance method over the useful lives of the assets as per Schedule II to the Companies Act and has used following useful lives to provide depreciation of different class of its property, plant and equipment:

Property, plant and equipment	Useful Lives
Factory building	30 years
Admin building	60 years
Plant and Machinery (Solar Power generating plant)	25 years
Plant and Machinery (Wind Mill)	22 years
Plant and Machinery (Other)	15 years
Electric Installation	10 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	10 years
Vehicle (Two Wheeler)	10 years
Vehicle (Others)	8 years

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Property, Plant and Equipment's, depreciation is provided as aforesaid over the residual life of the respective assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' and 'Other Expenses'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.03 Capital work in progress

Projects under which property, plant and equipment's are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

2.04 Intangible Assets and Amortization

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful Life	Amortisation method
Design	5 years	Straight Line
ERP software	10 years	Straight Line

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.05 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

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

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CHARTERED ACCOUNTANTS

2.06 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

2.07 Revenue Recognition

Revenue from Contracts with Customers

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements with the exception being when it facilitates insurance services for the customer. In this scenario, the Company acts as an agent.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

(i) Revenue from sale of goods

The Company manufactures and sells ceramic tiles. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers at factory premise. The Company is working as a principal in this arrangement and revenue is being recognised on gross basis. No significant element of financing is deemed present as the sales are made on standard credit period, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company also offer volume and cash discount to the customers. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The Company is working as a principal in this arrangement and revenue is being recognised on gross basis. No significant element of financing is deemed present as the sales are made on standard credit period, which is consistent with market practice.

Revenue from arranging Insurance service to customer

The Company is providing services in the capacity of agent and hence revenue is being recognised on net basis.

Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Company is providing services in the capacity of agent and hence revenue is being recognised on net basis.

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Variable consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract assets:

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets i.e. Financial instruments – initial recognition and subsequent measurement.

Contract liabilities:

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

(ii) Interest Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Interest income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the effective interest rate (EIR). Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Revenue from export incentive

Revenue from export Incentive are recognised in the year when the right to receive credit is established in respect of export made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realisation/ utilisation of such benefits/ duty credit.

2.08 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.09 Leases

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

The Company's lease asset classes primarily consist of leases for land, office building and godowns. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether
(i) the contract involves the use of an identified asset,
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.
At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

2.10 Inventories

a) Raw material, packing material and stores and spare parts (including Fuel)

Raw materials and packing material are carried at cost. Cost includes purchase price excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. The carrying cost of raw materials and packing material are appropriately written down when there is a decline in replacement cost of such materials and finished products in which they will be incorporated are expected to be sold below cost.

b) Finished goods, stock-in-trade and work in progress

Finished goods, stock-in-trade and work in progress are valued at the lower of cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

In determining the cost of raw materials, packing materials, stock-in-trade, stores and spares, trading and other products, weighted average cost method is used.

The basis of determining the value of each class of inventory is as follows:

Inventories	Determination of cost
Work in Process	Raw material cost plus conversion cost and overheads wherever applicable.
Finished Goods	Raw material cost plus conversion cost and overheads wherever applicable.

2.11 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. The recoverable amount is the greater of the asset's fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.12 Cash and cash equivalents

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

2.13 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derivative financial Assets Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets , the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

(d) Derivative financial liability - Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

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(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Employee Benefits

(a) Short-term obligations

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of Profit and Loss in the period in which such services are rendered.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: The Company's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Defined benefit plan

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to profit or loss in subsequent periods.

2.15 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.16 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:
Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.17 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. In case of grants relating to assets, the cost of the asset is shown as gross value and grant thereon is treated as Government Grant Liability, which are recognized as "Other Income" in the Statement of Profit and Loss over the period.
Government grants includes grants on account of duty saved on import of capital goods (property, plant and equipment) under the EPCG (Export Promotion Capital Goods) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time and accounted in revenue on fulfilment of export obligation. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

2.18 Segment reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the group falls within one broad business segment viz. "Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country.

2.19 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint ventures the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

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2.20 Employee stock option scheme compensation

Employees of the company receive share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (ESOP reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

2.21 Business combination

Business combinations under common control

Business combinations arising from transfers of interests in entities that are under the common control are accounted in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103) Business combinations of entities under common control, notified under the Companies Act, 2013.

The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

2.22 Initial public offer related transaction costs

The expenses pertaining to Initial Public Offer ('IPO') have been accounted for as follows:

i. Incremental costs that are directly attributable to issuing new shares have been deferred until successful consummation of IPO upon which it shall be deducted from equity;

ii. Incremental costs that are not directly attributable, has been recorded as an expense in the statement of profit and loss as and when incurred; and

iii. Costs that relate to fresh issue of equity shares and offer for sale by selling shareholders has been allocated between those functions on a rational and consistent basis as per agreed terms.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

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

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

(a) Useful lives of property, plant and equipment and intangible assets

As described in the Material accounting policy information, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

(b) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the standalone financial statements.

(c) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the standalone financial statements.

(d) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

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3.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

(i) Critical judgments in applying accounting policies

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Determining whether an arrangement contain leases and classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(b) Evaluation of indicators for impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset or poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

(ii) Assumptions and key sources of estimation uncertainty

(a) Assets and obligations relating to employee benefits

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

(b) Impairment of non-financial assets

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

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

(c) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(d) Income taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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5 Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and machinery	Computer & Servers	Vehicles	Office equipment	Furniture and fixture	Electrical installations	Total
As at 1 April 2023	**90.63**	**211.87**	**1,838.57**	**4.70**	**29.66**	**9.83**	**60.21**	**7.58**	**2,253.05**
Additions	54.46	734.95	3,237.11	4.32	19.61	12.53	163.54	-	4,226.52
Disposals	-	-	(19.85)	(0.01)	(0.18)	-	-	-	(20.04)
As at 31 March 2024	**145.09**	**946.82**	**5,055.83**	**9.01**	**49.09**	**22.36**	**223.75**	**7.58**	**6,459.53**
Additions	-	127.87	486.90	4.79	10.76	15.60	28.32	-	674.24
Disposals	-	-	(152.20)	-	(3.76)	-	-	-	(155.96)
As at 31 March 2025	**145.09**	**1,074.69**	**5,390.53**	**13.80**	**56.09**	**37.96**	**252.07**	**7.58**	**6,977.81**
Accumulated depreciation									
As at 1 April 2023	-	**19.77**	**291.13**	**1.58**	**6.96**	**3.10**	**13.74**	**1.67**	**337.95**
Depreciation for the year	-	23.75	342.96	2.66	11.87	6.12	15.89	0.11	403.36
Deductions during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2024	-	**43.52**	**634.09**	**4.24**	**18.83**	**9.22**	**29.63**	**1.78**	**741.31**
Depreciation for the year	-	93.49	818.73	4.21	10.86	9.12	49.30	-	985.71
Deductions during the year	-	-	(43.13)	-	(1.62)	-	-	-	(44.75)
As at 31 March 2025	-	**137.01**	**1,409.69**	**8.45**	**28.07**	**18.34**	**78.93**	**1.78**	**1,682.27**
Net Carrying value as at 31 March 2025	145.09	937.68	3,980.84	5.35	28.02	19.62	173.14	5.80	5,295.54
Net Carrying value as at 31 March 2024	145.09	903.30	4,421.74	4.77	30.26	13.14	194.12	5.80	5,718.22

The Company has capitalised borrowing cost of Nil and ₹ 46.95 Millions during the year ended 31 March 2025 and 31 March 2024 respectively. In FY 2023-24, the rate used to determine the amount of borrowing costs eligible for capitalisation was 8.56% to 8.65%, which is the effective interest rate of the specific borrowing.

Notes:

Property, plant and equipment pledged as security

Certain property, plant and equipment are pledged against secured borrowings, the details relating to which have been described in Note 22 and 27 pertaining to borrowings.

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6 Capital Work in Progress

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	23.78	27.79
Add : Net additions during the year	693.36	3,427.55
Less : Transfer during the year to property plant and equipments	(615.27)	(3,431.56)
	101.87	**23.78**

Capital wok-in-progress ageing schedule:-

Particulars	Amount in CWIP for a period of				
	< 1 Year	1-2 years	2-3 Years	> 3 Years	Total
Projects in progress					
As at 31 March 2025	101.87	-	-	-	101.87
As at 31 March 2024	23.78	-	-	-	23.78
Projects temporarily suspended					
As at 31 March 2025	-	-	-	-	-
As at 31 March 2024	-	-	-	-	-

Note:

There are no such project for assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

7 Right of use of assets

Particulars	Land	Office Premises	Total*
As at 1 April 2023	**3.52**	**101.59**	**105.11**
Additions	81.64	0.19	81.83
Disposals	-	(0.17)	(0.17)
As at 31 March 2024	**85.16**	**101.61**	**186.77**
Additions	17.20	-	17.20
Disposals	-	(15.88)	(15.88)
As at 31 March 2025	**102.36**	**85.73**	**188.09**
Accumulated depreciation			
As at 1 April 2023	**0.14**	**14.20**	**14.34**
Depreciation for the year	1.77	21.18	22.95
As at 31 March 2024	**1.91**	**35.38**	**37.29**
Depreciation for the year	6.52	19.84	26.36
Disposals	-	(15.17)	(15.17)
As at 31 March 2025	**8.43**	**40.05**	**48.48**
Carrying amount (net)			
As at 31 March 2025	**93.93**	**45.68**	**139.61**
As at 31 March 2024	**83.25**	**66.23**	**149.48**

*Refer note 47 for disclosure relating to leases

8 Other Intangible Assets

Particulars	Design	ERP Software	Total
As at 1 April 2023	**4.36**	**0.55**	**4.91**
Additions	6.49	-	6.49
As at 31 March 2024	**10.85**	**0.55**	**11.40**
Additions	2.04	3.35	5.39
As at 31 March 2025	**12.89**	**3.90**	**16.79**
Accumulated amortisation			
As at 1 April 2023	**2.39**	**0.16**	**2.55**
Amortisation for the year	1.13	0.10	1.23
As at 31 March 2024	**3.52**	**0.26**	**3.78**
Amortisation for the year	1.08	0.75	1.83
As at 31 March 2025	**4.60**	**1.01**	**5.61**
Carrying amount (net)			
As at 31 March 2025	**8.29**	**2.89**	**11.18**
As at 31 March 2024	**7.33**	**0.29**	**7.62**

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9 Investments

Particulars	As at 31 March 2025	As at 31 March 2024
NON CURRENT INVESTMENTS		
Investment in equity instruments		
Unquoted		
Investment in Subsidiaries, measured at cost		
Investment in Company		
Covertek Ceramica Private Limited	220.20	220.20
-99,00,000 Equity Shares ₹10 each fully paid-up (31 March 2024: 99,00,000 Equity shares)		
Investment in Partnership Firms		
Simola Tiles LLP - 59.00% Share (31 March 2024: 59.00% Share)	507.10	507.10
Varmora Sanitarywares LLP - 99.99% Share (31 March 2024: 99.99 % share)	43.87	43.87
Investment in Associates Companies, measured at cost		
Fiorenza Granito Private Limited	46.79	46.79
- 48,00,000 Equity Shares ₹10 each fully paid-up (31 March 2024: 48,00,000 Equity shares)		
Sentosa Granito Private Limited	58.30	58.30
- 28,50,000 Equity Shares of ₹10 each fully paid-up (31 March 2024: 28,50,000 Equity shares)		
Investment in Joint venture companies, measured at cost		
Avalta Granito Private Limited	50.00	50.00
- 50,00,000 Equity Shares of ₹10 each fully paid-up (31 March 2024: 50,00,000 Equity shares)		
Renite Vitrified LLP - 30% share (31 March 2024: 30.00% Share)	76.53	76.53
Other Non Current Investments, quoted, measured at FVTPL		
Investment in mutual fund	7.69	7.10
Total	1,010.48	1,009.89

Aggregate amount of quoted investments	7.69	7.10
Market Value of quoted investments	7.69	7.10
Aggregate amount of unquoted investments	1,002.79	1,002.79
Aggregate amount of impairment in value of investments	-	-

10 Other Financial Asset (Non Current)

Particulars	As at 31 March 2025	As at 31 March 2024
Fixed deposits with maturity for more than 12 months*	11.41	39.35
Security Deposits	15.14	15.67
Total	26.55	55.02

*The fixed deposits have been lien marked against bank guarantee.

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11 Deferred Tax Asset/(Liability)

	Particulars	As at 31 March 2025	As at 31 March 2024
(A)	**Deferred tax relates to the following:**		
	Deferred tax assets		
	Provision for employee benefit	12.01	9.93
	Provision for expected credit loss	101.30	159.43
	Lease liability as per Ind AS 116	37.84	38.36
	Fair value of security deposits	0.32	0.38
	Fair value of differential voting rights	-	8.88
	Government grant liability	-	(0.20)
	Provision for slow moving inventory	0.45	-
	Financial liability at amortised cost	-	0.79
	Total Deferred Tax Assets	**151.92**	**217.57**
	Deferred tax liabilities		
	Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	62.72	77.09
	Fair value of call option (Derivative financial asset)	10.84	9.34
	Fair value of Investments	0.80	0.65
	Right of use assets as per Ind AS 116	35.14	37.84
	Financial liability at amortised cost	1.61	1.37
	Loan to employees	0.30	0.08
	Total Deferred Tax Liabilities	**111.41**	**126.37**
	Deferred tax asset	**40.51**	**91.20**

(B) Income tax expense

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
- Current tax taxes	95.29	158.65
- Adjustments in respect of current income tax of previous year	(2.95)	(3.64)
- Deferred tax charge / (income)	50.14	(0.52)
Income tax expense reported in the statement of profit or loss	**142.48**	**154.49**

(C) Income tax expense charged to OCI

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Net (gain) on remeasurements of defined benefit plans	(0.55)	(0.73)
Income tax charged to OCI	**(0.55)**	**(0.73)**

(D) Reconciliation of tax charge

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Profit before tax	430.81	578.02
Tax rate	25.63%	25.63%
Income tax expense at tax rates applicable	110.40	148.12
Tax on expense not eligible for deduction	11.01	2.34
Others	21.07	4.03
Income tax expense	**142.48**	**154.49**

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(E) Movement in deferred tax assets and (liabilities)

Particulars	As at 1 April 2024	Recognised in statement of profit and loss	Recognized in OCI	MAT Utilisation	As at 31 March 2025
Tax effect on items constituting deferred tax assets and liabilities					
Deferred tax Asset					
Provision for employee benefit	9.93	2.63	(0.55)	-	12.01
Provision for expected credit loss	159.43	(58.13)	-	-	101.30
Lease liability as per Ind AS 116	38.36	(0.52)	-	-	37.84
Fair value of security deposits	0.38	(0.06)	-	-	0.32
Fair value of differential voting rights	8.88	(8.88)	-	-	-
Government grant liability	(0.20)	0.20	-	-	-
Provision for slow moving inventory	-	0.45	-	-	0.45
Financial liability at amortised cost	0.79	(0.79)	-	-	-
	217.57	**(65.10)**	**(0.55)**	-	**151.92**
Deferred Tax Liability					
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	77.09	(14.37)	-	-	62.72
Right of use assets as per Ind AS 116	37.84	(2.70)	-	-	35.14
Fair value of call option (Derivative financial asset)	9.34	1.50	-	-	10.84
Fair value of Investments	0.65	0.15	-	-	0.80
Financial liability at amortised cost	1.37	0.24	-	-	1.61
Loan to employees	0.08	0.22	-	-	0.30
	126.37	**(14.96)**	-	-	**111.41**
Deferred Tax Asset/(Liability) Net	**91.20**	**(50.14)**	**(0.55)**	-	**40.51**

Particulars	As at 1 April 2023	Recognised in statement of profit and loss	Recognized in OCI	MAT Utilisation	As at 31 March 2024
Tax effect on items constituting deferred tax assets and liabilities					
Deferred tax Asset					
Provision for employee benefit	7.35	3.31	(0.73)	-	9.93
Provision for expected credit loss	116.27	43.16	-	-	159.43
Lease liability as per Ind AS 116	23.34	15.02	-	-	38.36
Fair value of security deposits	0.46	(0.08)	-	-	0.38
Fair value of differential voting rights	7.98	0.90	-	-	8.88
Government grant liability	14.19	(14.39)	-	-	(0.20)
MAT Credit	1.03	-	-	(1.03)	-
Financial liability at amortised cost	-	0.79	-	-	0.79
	170.62	**48.71**	**(0.73)**	**(1.03)**	**217.57**
Deferred Tax Liability					
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	43.70	33.39	-	-	77.09
Right of use assets as per Ind AS 116	23.23	14.61	-	-	37.84
Fair value of Derivative financial asset	10.47	(1.13)	-	-	9.34
Fair value of Investments	0.57	0.08	-	-	0.65
Financial liability at amortised cost	0.13	1.24	-	-	1.37
Loan to employees	0.08	-	-	-	0.08
	78.18	**48.19**	-		**126.37**
Deferred Tax Asset/(Liability) Net	**92.44**	**0.52**	**(0.73)**	**(1.03)**	**91.20**

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12 Other Non Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Capital advance	3.00	28.00
Balances with government authorities	8.00	8.00
Others	0.03	0.03
Total	**11.03**	**36.03**

13 Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials and components		
Raw material	176.71	123.64
Packing Material	21.38	14.56
Stores & Spares	15.46	29.53
Work-in-progress	121.12	58.07
Finished Goods	1,835.19	940.80
Stock - in - trade	195.09	293.44
Total	**2,364.95**	**1,460.04**

The write down of inventories to net realisable value during the year ended 31 March 2025 aggregated to ₹1.79 Millions (31 March 2024 : ₹ Nil). This write down is included in the changes in inventories of finished goods, work-in-progress and stock-in-trade in the statement of profit and loss.
Refer Note 2.10 for basis of valuation of inventories.

14 Trade Receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Receivables considered good - Secured		
Trade receivables - considered good - Unsecured	3,375.82	2,949.57
Trade receivables - credit impaired	402.49	636.15
Less : Allowance for expected credit loss	(402.49)	(636.15)
Total	**3,375.82**	**2,949.57**
Further classified as:		
Receivable from related parties	49.15	2.29
Receivable from others	3,729.16	3,583.43
Less : Allowance for expected credit loss	(402.49)	(636.15)
Total	**3,375.82**	**2,949.57**

Trade receivable ageing schedule

As at 31 March 2025	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	2,784.31	494.53	55.94	20.37	7.50	13.17	3,375.82
(ii) Undisputed trade receivables - credit impaired	-	42.94	65.27	136.14	51.16	74.44	369.95
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables - credit impaired	-	3.20	-	0.19	4.99	24.16	32.54
Total	2,784.31	540.67	121.21	156.70	63.65	111.77	3,778.31

As at 31 March 2024	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	1,898.67	999.72	49.90	0.77	0.15	0.36	2,949.57
(ii) Undisputed trade receivables - credit impaired	70.72	125.54	107.00	194.33	35.16	66.46	599.21
(iii) Disputed trade receivables - considered good	-	-	-		-	-	-
(iv) Disputed trade receivables - credit impaired	-	-	-	3.53	5.42	27.99	36.94
Total	1,969.39	1,125.26	156.90	198.63	40.73	94.81	3,585.72

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15 Cash and Cash Equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks:		
-in current account	4.72	16.89
-in cash credit account	6.39	6.33
-in EFFC account	0.24	-
Fixed deposits with original maturity of less than 3 months	794.86	884.14
Cash on hand	4.50	4.02
Total	810.71	911.38

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.

16 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
In fixed deposits (earmarked towards margin money for guarantees and other commitments)	309.06	35.96
Total	309.06	35.96

17 Loans (Current Financial Assets)

Particulars	As at 31 March 2025	As at 31 March 2024
Loans to employees, unsecured considered good	17.94	18.42
Loans to related parties* (considered good, Unsecured)		
Inter Corporate Loans	485.39	488.97
Total	503.33	507.39

*Inter- corporate Loans to related party and other companies are repayable on demand and carry interest of 9% p.a. The above loans have been given for business purpose.

Loans and advances in the nature of loans granted to related parties (as defined under Companies Act, 2013): As on 31 March 2025 ₹ 485.39 Millions (As on 31 March 2024 ₹ 488.97 Millions).

18 Other Financial Assets (Current)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Security deposit	6.38	10.42
Interest accrued but not due on deposits	9.16	4.38
Derivative financial asset (Refer note below)	43.07	37.10
Other receivables	0.66	2.57
Export benefits receivable	7.28	18.66
Total	66.55	73.13

Derivative financial assets:

A purchased call option over 41% of Interest in an acquired subsidiary i.e. Simola Tiles LLP is initially recognised as a financial asset at its fair value, with any subsequent changes in the fair value of the option recognised in profit or loss. The call option has been recognised as part of consideration towards purchase of 59% of Interest as part of Investment and purchase of call option over 41% Interest in the entity. If such purchased call option lapses, the financial asset is derecognised, with a debit to profit or loss and if such purchased call option is exercised, the financial asset is derecognised with an adjustment to the cost of investment of purchasing the Interest subject to the option.

19 Other Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Prepaid expenses (Refer note below)	59.59	29.60
Balances with government authorities	76.30	143.54
Advances to vendors	59.95	49.34
Advance to employees	2.08	2.25
Pre-Spent CSR	8.41	5.71
Total	206.33	230.44

Note:

In the board meeting dated 6 December, 2024 the Board of Directors of the Company had approved capital raising comprising of fresh issue and offer for sale of equity shares by the existing shareholders through an Initial Public Offering ('IPO').

In relation to above IPO, the issue related expenses include, among others, legal and professional fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The issue related expenses amounting to ₹ 35.56 Millions (31 March 2024: Nil) are currently classified under other current assets.

All Issue related expenses shall be shared by the Company and the Selling Shareholders in proportion to the number of Equity Shares being issued or offered, as the case may be, by each of them in the Fresh Issue and the Offer for Sale. Any payments by the Company in relation to the Issue on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholders to the Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Issue.

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20 Share Capital

20(a)	Particulars	As at 31 March 2025	As at 31 March 2024
(a.1)	**Equity Share Capital**		
	Authorized Share Capital		
	2,01,05,02,500 Equity shares of ₹2 each (31 March 2024: 80,42,01,000 Equity shares of ₹5 each)	4,021.01	4,021.01
		4,021.01	**4,021.01**
	Issued Subscribed and fully paid up		
	20,16,25,108 Equity shares of ₹2 each (31 March 2024: 7,99,31,244 Equity shares of ₹5 each)	403.25	399.66
	Total	**403.25**	**399.66**

(a.2) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	7,99,31,244	399.66	1,33,21,874	133.22
Add: Share split during the year (Refer Note f and g)	11,98,96,866	-	1,33,21,874	-
Add: Bonus share issued during the year (Refer Note g)	-	-	5,32,87,496	266.44
Add:Conversion into Equity shares (Refer Note f and g)	17,96,998	3.59	-	-
Outstanding at the end of the year	**20,16,25,108**	**403.25**	**7,99,31,244**	**399.66**

(a.3) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	7,37,34,868	36.57%	2,87,75,148	36.00%
Bhavesh Vallabhdas Varmora	1,93,51,425	9.60%	59,80,074	7.48%
Ramanbhai Jivrajbhai Varmora	1,31,68,680	6.53%	52,67,472	6.59%
Vallabhbhai Jivrajbhai Varmora	1,03,13,355	5.12%	41,25,342	5.16%
Hiren Ramanbhai Varmora	1,91,17,155	9.48%	76,46,862	9.57%
Pramodkumar Parsotambhai Patel	1,34,16,450	6.65%	53,66,580	6.71%
Bharatbhai Vallabhdas Varmora	96,31,715	4.78%	47,31,267	5.92%
Manishkumar Vallabhbhai Varmora	91,32,145	4.53%	45,34,773	5.67%

20(b)	Particulars	As at 31 March 2025	As at 31 March 2024
(b.1)	**Compulsorily Convertible Cumulative Participating Preference Shares**		
	Authorized Share Capital		
	5,00,00,000 compulsorily convertible cumulative participating preference shares of ₹ 10/- each (31 March 2024 : 5,00,00,000 convertible cumulative participating preference shares of ₹ 10/- each)	500.00	500.00
		500.00	**500.00**
	Issued Subscribed and fully paid up		
	Nil (31 March 2024 : 1,75,75,866 compulsorily convertible cumulative participating preference shares of ₹ 10/- each)	-	175.76
	Total	-	**175.76**

(b.2) Reconciliation of compulsorily convertible cumulative participating preference shares (CCPS) outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,75,75,866	175.76	1,75,75,866	175.76
Less: Conversion into Equity Shares (Refer Note f)	(1,75,75,866)	(175.76)	-	-
Outstanding at the end of the year	-	-	**1,75,75,866**	**175.76**

On 30 August 2022, the Company had issued 35,15,17,320 CCPS with a par value of ₹ 10 each. The holders of the CCPS were entitled to receive a cumulative dividend at the rate of 0.001% per annum. The conversion ratio didn't meet the fixed-to-fixed test on the issuance of such CCPS. On 20 March 2023, the Company modified the conversion feature of CCPS, which meets fixed-to-fixed test and accordingly, classified such instruments as equity. On 16 December 2024, the Company converted 1,75,75,866 CCPS into 17,96,998 equity shares.

(b.3) Compulsorily convertible preference shares in the company held by share holders holding more than 5% is as under:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	-	0%	1,75,75,866	100%
Total	-	**0%**	**1,75,75,866**	**100%**

20(c)	Particulars	As at 31 March 2025	As at 31 March 2024
(c.1)	**Equity Share Capital With Differential Voting Reights**		
	Authorized Share Capital		
	50,000 Equity shares of ₹10 each (31 March 2024: 50,000 Equity shares of ₹10 each) with differential voting rights (DVR Shares)	0.50	0.50
		0.50	**0.50**
	Issued Subscribed and fully paid up		
	Nil (31 March 2024: 30,000 Equity shares of ₹10 each) with differential voting rights (DVR Shares)	-	0.30
	Total	-	**0.30**

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(c.2) Reconciliation of DVR shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	30,000	0.30	30,000	0.30
Less: Bought back during the year (Refer Note f)	(30,000)	(0.30)	-	-
Outstanding at the end of the year	-	-	**30,000**	**0.30**

The Company issued 30,000 DVR Shares at Rs. 410 per DVR Share to Katsura Investments (Investor) on 30 August 2022 and Katsura Investments has accepted the Company's offer to buy back DVR Shares at Rs. 435 per DVR Share on 30 December 2024. The buyback of DVRs has been duly completed, and as of the date hereof, no DVRs remain outstanding.

The Board of the Directors of the Company has approved Waiver Cum Amendment Agreement, which amended certain clauses, including of DVR reissuance, of Shareholder's Agreement (SHA Agreement) dated 2 June 2022 in their meeting dated 26 June 2025.

(c.3) Equity Shares with differential voting rights held by share holders holding more than 5% is as under:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	-	0%	30,000	100%
Total	-	0%	30,000	100%

(d) Equity Shares in the company held by promoters is as under:

Promoters	No. of shares at the commencement of the year	Changes During the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31 March 2025					
Hiren Ramanbhai Varmora	76,46,862	1,14,70,293	1,91,17,155	9.48%	150%
Bhavesh Vallabhdas Varmora	59,80,074	1,33,71,351	1,93,51,425	9.60%	224%
Pramodkumar Parsotambhai Patel	53,66,580	80,49,870	1,34,16,450	6.65%	150%

Promoters	No. of shares at the commencement of the year	Changes During the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31 March 2024					
Hiren Ramanbhai Varmora	7,46,476	69,00,386	76,46,862	9.57%	924%
Bhavesh Vallabhdas Varmora	9,96,679	49,83,395	59,80,074	7.48%	500%
Pramodkumar Parsotambhai Patel	5,11,610	48,54,970	53,66,580	6.71%	949%

(e) Right, preferences and restrictions attached to shares

1 Equity Shares

The Company has two classes of Equity shares:

i. Equity Shares having par value of ₹ 2 each and the holder of the equity share is entitled to one vote per share. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

ii. Equity Shares with differential voting rights having par value of ₹ 10 each and the holder of the equity share having rights as per occurrence of the DVR Rights Trigger Event.

iii. No Shares have been forfeited by the company since its incorporation.

2 Preference Shares

i. The Company has compulsorily convertible cumulative participating preference shares (CCPS) having face value of ₹ 10 each and holder of CCPS is entitled to receive a cumulative dividend at the rate of 0.001% per annum. CCPS holder would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of Equity Securities of any other class or series (including Equity Shares) on a pro rata, on an as if converted basis. The CCPS shall automatically and compulsorily convert into equity share on the date that falls on the expiry of 10 (ten) years or holders of shares may, at its sole discretion, choose to convert all or any portion of the CCPS into Equity Shares prior to such conversion date.

(f) Events during the financial year 2024-25

i. The equity shares of the Company having face value of ₹ 5 each were subdivided into equity shares having a face value of ₹ 2 each. Accordingly, authorized capital of the Company was divided into 2,01,05,02,500 equity shares having face value of ₹ 2 each and issued capital of the Company was divided into 20,16,25,108 equity shares having face value of ₹ 2 each in extra ordinary general meeting of the members dated 11 December 2024 .

ii. The Company has bought back 30,000 differential voting right equity shares at ₹ 435 per DVR Share from Katsura Investments on 30 December 2024.

iii. On 16 December 2024, the Company converted 1,75,75,866 CCPS into 17,96,998 equity shares.

(g) Events during the financial year 2023-24

i. The Company changed in the authorized share capital of the Company to 32,95,00,000 equity shares of the Company having face value of ₹ 10 each, 5,00,00,000 compulsorily convertible cumulative and participating preference shares of ₹ 10 each, and 50,000 equity shares of ₹ 10 each with differential voting rights in its extra ordinary general meeting dated 7 June 2023.

ii. The equity shares of the Company having face value of ₹ 10 each were subdivided into 2 equity shares having a face value of ₹ 5 each. Accordingly, authorized capital of the Company was divided into 65,90,00,000 equity shares having face value of ₹ 5 each and issued capital of the Company was divided into 2,66,43,748 equity shares having face value of ₹ 5 each in extra ordinary general meeting of the members dated 7 June 2023.

iii. The Authorised Share Capital of the Company has been reclassified as per Ordinary Resolution passed at the Extra Ordinary General Meeting of the Company held on 7 June 2023.

iv. The Company had issued and allotted bonus shares of two new fully paid up equity shares of ₹ 5 each for every one equity shares of ₹ 5 each. Accordingly, the Company had issued 5,32,87,496 equity shares of ₹ 5 each as bonus shares.

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21 Other Equity

Particulars	As at 31 March 2025	As at 31 March 2024
Capital contribution from group	20.41	20.41
Capital redemption reserve account	65.74	65.74
Securities premium	4,057.55	3,885.39
Share based payment reserve	120.08	31.58
Retained earnings	2,626.02	2,336.04
Total	**6,889.80**	**6,339.16**

Nature and purpose :

Particulars	Description
Capital contribution from group	This represents the difference between the transaction value and the present value in case of interest free/ below Market rate borrowings (i.e. Non convertible Redeemable Preference Shares (NCRPS))
Capital redemption reserve account (CRR)	It is created when the company bought back equity share out of the profits available for dividend.
Securities Premium	This represents the excess of the issue price of shares over their face value.
Share based payment reserve	Share based payment reserve is used to recognise the fair value of options on the grant date, issued to employees under employee stock option plan.
Retained earnings	This represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. It will be utilized in accordance with the provisions of the Companies Act, 2013.

Particulars	As at 31 March 2025	As at 31 March 2024
(A) Capital Contribution from Group		
Opening balance	20.41	20.41
Closing balance	**20.41**	**20.41**
(B) Capital redemption reserve account		
Opening balance	65.74	65.74
Closing balance	**65.74**	**65.74**
(C) Retained earnings		
Opening balance	2,336.04	1,910.36
Add: Profit for the year	288.33	423.53
Add: Other comprehensive income for the year, net of tax	1.65	2.15
Closing balance	**2,626.02**	**2,336.04**
(D) Security premium		
Opening balance	3,885.39	4,151.83
Add: Conversion of Preference Shares into Equity Shares	172.16	-
Less: Issue of bonus shares	-	(266.44)
Closing balance	**4,057.55**	**3,885.39**
(E) Share based payment reserve		
Balance at the beginning of the year	31.58	-
Add: Addition during the year	88.50	31.58
Closing balance	**120.08**	**31.58**
Total	6,889.80	6,339.16

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22 **Borrowings (Non Current)**

Particulars	As at 31 March 2025	As at 31 March 2024
Borrowings measured at Amortised Cost		
Secured		
Term loans		
Term loans - from banks*	1,763.63	2,030.28
Total	1,763.63	2,030.28

* after considering unamortised transaction cost amounting to ₹ 3.27 Millions (31 March 2024: ₹ 4.97 Millions)

(a.1) **Details of nature of security and repayment terms of borrowings**

Term / Car Loan From Banks	Nature of Security	As at 31 March 2025	As at 31 March 2024
From HDFC Bank			
Term Loan - I	**Current Assets** - First Pari Passu Charge by way of Hypothecation of all present and future current assets with ICICI Bank and SBI Bank **Movable Fixed Assets** : Exclusive Charge by way of Hypothecation of all present and future movable fixed assets of the company (Exclusive charge on Movable Fixed Asset includes Existing Unit Unit II of the company) (Excluding Plant and Machineries of Unit 3 which is funded by ICICI Bank Ltd) **Factory Land and Building** (1) Exclusive charge by way of mortgage of Factory Land & Building located at	31.04	57.65
Term Loan - II	survey no.148 & 149 part, Village : Dhuva, Tal.Wankaner, Morbi, Gujarat-363622 admeasuring 66783 sq.mts owned by Varmora Granito Limited (formerly known as Varmora Granito Pvt. Ltd.) (2) Exclusive charge by way of mortgage of Factory Land & Building located survey no.145 paiki & 146, situated at nearby Dhuva Over Bridge, National Highway 8-A, at: Dhuva, Tal. Wankaner, District- Morbi admeasuring total 24584 square metres owned at Varmora Ceramics Private Limited	33.41	99.95
Term Loan - III	(3) Exclusive charge by way of mortgage of building located at survey no.23/1, Lilapur,Morbi, Gujarat-363641 admeasuring 12140.46 square metres owned by Jaystar Industries (4) Exclusive charge by way of mortgage of Factory Land & Building located at survey no. 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal: Wankaner. Dis: Morbi, Gujarat-363621 owned by Varmora Granito Limited (formerly known as Varmora Granito Pvt. Ltd.) (Unit 2 Of Borrower) (5) Exclusive charge by way of equitable mortgage of factory land and building located at Survey No. 136/P1, 136/P2, 137, 138, 147/1P4, 8-A, National Highway,	65.81	100.67
Term Loan - IV	At: Sartanpar Wankaner, Rajkot, Gujarat-363622 India previously owned by Nextile Marbosys Private Limited. **Hypothecation on Equipment** : Charge by way of Hypothecation of the Wind Mill power generation turbine and equipment to HDFC Bank Ltd. **Plant and Machinery** : Exclusive Charge by way of hypothecation of Plant & Machinery Of Unit 2 Situated at 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal:Wankaner. Dis: Morbi	1,265.62	1,191.39
Term Loan - V - GECL	**Plant and Machinery** : Exclusive Charge by way of hypothecation of Plant & Machinery of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited), Nextile Marbosys Private Limited and Varmora Ceramic Private Limited **Personal Guarantee** : Personal Guarantee of (1) Mr. Ashokbhai Naranbhai Patel (2) Mr. Bhavesh Vallabhdas Varmora (3) Mr. Pramodbhai Parshottambhai Patel (4) Mr. Hiren Ramanbhai Varmora **Corporate Guarantee**: Corporate Guarantee of Jaystar Industries	-	18.12
ICICI Bank			
Term Loan - I	**Immovable Property:** Land and Building at Land Survey No.35/P1, 35/P2, 35/P3, 36 and 37, Ratavirda, Gujarat (Exact description of property to be as per title search report) Movable Assets: All movable assets financed out of facility proceeds **Personal Guarantee** : Personal Guarantee of (1) Mr. Bhavesh Vallabhdas Varmora (2) Mr. Pramodbhai Parshottambhai Patel (3) Mr. Hiren Ramanbhai Varmora	773.34	798.05

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Term / Car Loan From Banks	Nature of Security	As at 31 March 2025	As at 31 March 2024
SBI Bank			
Term Loan - I	<u>Primary:</u> 1. Hypothecation of Plant and Machinery of erstwhile Conffi Sanitarywares Pvt Ltd, Solaris Ceramic Pvt Ltd and Tocco Ceramic Pvt Ltd., Make: Various Make, Hypothecation of Plant & Machinery. (Present & Future) (Second Charge on entire primary and collateral securities for GECL and GECL Extn facilities.) 2. All that piece and parcel of the land known and described as Non Agricultural land belongs to Solaris Ceramic Pvt Ltd, Tocco Ceramic Pvt Ltd and Coffi Sanitaryware Pvt. Ltd. <u>Collateral</u>: 1.EM of Commercial Plot bearing Factory Land & Buildings: S No. 148/1 & 148/2, House No:-S No. 148/1 & 148/2 Floor No:- Building Tower No:- Plot NO:- Sector No: City:-Village: Sartanpur District: -Morbi State:-Gujarat, Village: Sartanpur, Morbi, Gujarat, (Rural), 33488, Belongs to: TOCCO CERAMIC PVT. LTD, Who is: Borrower, Title Deed No: Sr No.0694 & 0701, Registered On: 07-MAR-11 2.EM of Commercial Building bearing Factory Land & Buildings: S NO 177/1/P1,177/1/P2 of ratavirda, House No:-S NO 177/1/P1,177/1/P2 of ratavirda Floor No:- Building Tower No:- Plot NO:- Sector No:- City-Conffi Sanitaryware Pvt. Ltd. District:-Morbi State:-, Conffi Sanitaryware Pvt. Ltd., Morbi, (Urban), 30857, Belongs to: Conffi Sanitaryware Pvt. Ltd., Who is Borrower, Title Deed No: 130,131, Registered On: 20-JAN-14, 3.EM of Commercial Plot bearing Factory Land & Buildings: S.No. 123/1, 123/1/1, 122/1, House No:-S.No.123/1, 123/1/1, 122/1 Floor No:- Building Tower No: Plot NO:- Sector No:- City-Village: Sartanpur District:-Morbi State: Village: Sartanpur, Morbi, (Rural),: 40469, Belongs to Solaris Ceramic Pvt Ltd, Who is: Borrower, Title Deed No: 541, Registered On : 27-Oct-09 4.Hypothecation of unencumbered Plant and Machinery of Conffi Sanitarywares Pvt Ltd, Solaris Ceramic Pvt Ltd and Tocco Ceramic Pvt Ltd., <u>Personal Guarantee of:</u> 1.Manishkumar Vallabhdas Varmora 2.Bharatbhai Vallabhdas Varmora 3.Bhavesh Vallabhdas Varmora 4.Hiren Ramanbhai Varmora 5.Ashokkumar Naranbhai Patel 6.Pramodkumar Parsotambhai Patel	31.40	62.33
Term Loan - GECL	GECL Loan guaranteed by National Credit Guarantee Trustee Company Ltd.	17.00	17.00
Vehicle Loans From HDFC Bank			
Vehicle Loans	Secured by way of Specific Vehicle	16.66	20.47
Total		**2,234.28**	**2,365.63**

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(a.2) **The terms of repayment of the above loans are as follows:**

Term Loans/Car Loan	Repayment Terms	As at 31 March 2025				As at 31 March 2024			
		Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of each instalment ranging from	Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of each instalment ranging from
From HDFC Bank									
Term Loan - I	Monthly	May 26	Variable rate i.e. 7.97%	14	2.22	May 26	Variable rate i.e. 8.54%	26	2.22
Term Loan - II	Quarterly	August 25	Variable rate i.e. 8.59%	2	16.70	August 25	Variable rate i.e. 9.07%	6	16.43 to 17.82
Term Loan - III (a)	Monthly	January 26	Variable rate i.e. 8.59%	10	1.15	January 26	Variable rate i.e. 9.07%	22	0.97
Term Loan - III (b)	Monthly	May 27	Variable rate i.e. 8.59%	26	2.09	May 27	Variable rate i.e. 9.07%	38	2.09
Term Loan - IV	Monthly	June 31	Variable rate i.e. 7.75%	75	16.88	June 31	Variable rate i.e. 8.56%	80	14.89
Term Loan - V -GECL	Monthly	-	-	-	-	October 24	Variable rate i.e. 9.07%	7	2.59
From ICICI Bank									
Term Loan-I	Monthly	April 31	Variable rate i.e. 8.65%	73	10.59	April 31	Variable rate i.e. 8.65%	80	9.98
From SBI Bank									
Term Loan- I (a)	Monthly	-	-	-	-	May 24	Variable rate i.e. 9.25%	2	1.97
Term Loan- I (b)	Monthly	May 26	Variable rate i.e. 9.15%	14	2.15 to 2.25	May 26	Variable rate i.e. 9.25%	26	2.15 to 2.25
Term Loan - GECL	Monthly	February 28	Variable rate i.e. 9.25%	36	0.47	February 28	Variable rate i.e. 9.25%	36	0.47
Car Loans - HDFC Bank									
Car Loans	Monthly	February 26 to March 28	Fixed 7.40% to 8.90%	11 to 36	0.03 to 0.30	April 24 to January 28	Fixed 7.40% to 8.90%	1 to 46	0.03 to 0.30

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23 Lease Liability

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current maturities of lease liabilities	132.42	133.41
Current maturities of lease liabilities	17.92	18.10
Total	**150.34**	**151.51**

Refer note 47 for disclosure related to lease liability.

24 Other Financial Liabilities (Non Current)

Particulars	As at 31 March 2025	As at 31 March 2024
Differential voting rights (DVR shares), measured at FVTPL*	-	47.56
Total	-	**47.56**

* 30,000 equity shares with differential voting rights are in the nature of liability as DVR holders have a right to put/ require company to buyback such shares at fair value of the equity shares of the Company and consequently the DVR's are measured at fair value through profit and loss.

25 Provisions (Non Current)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits		
Provision for gratuity, unfunded	43.10	37.62
Total	**43.10**	**37.62**

26 Other non-current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Government Grant Liability	351.53	440.00
Total	**351.53**	**440.00**

27 Borrowings (Current)

Particulars	As at 31 March 2025	As at 31 March 2024
Secured		
Loan repayable on demand		
From banks	1,817.81	825.36
Interest accrued but not due on borrowings	10.60	10.63
Current maturities of non current loans*	465.24	327.59
Total	2,293.65	1,163.58

* after considering unamortised transaction cost amounting to ₹ 2.14 Millions (31 March 2024: ₹ 2.79 Millions)

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(a.1) **Working Capital / Short Term Loan consists of the following:**

Terms and conditions:	Nature of Security	Rate of Interest
HDFC Bank	**Current Assets** - First Pari Passu Charge by way of Hypothecation of all present and future current assets with ICICI Bank and SBI Bank **Movable Fixed Assets** : Exclusive Charge by way of Hypothecation of all present and future movable fixed assets of the company (Exclusive charge on Movable Fixed Asset includes Existing Unit Unit II of the company) (Excluding Plant and Machineries of Unit 3 which is funded by ICICI Bank Ltd) **Factory Land and Building** (1) Exclusive charge by way of mortgage of Factory Land & Building located at survey no.148 & 149 part, Village : Dhuva, Tal.Wankaner, Morbi, Gujarat-363622 admeasuring 66783 sq.mts owned by Varmora Granito Limited (formerly known as Varmora Granito Pvt. Ltd.) (2) Exclusive charge by way of mortgage of Factory Land & Building located survey no.145 paiki & 146, situated at nearby Dhuva Over Bridge, National Highway 8-A, at: Dhuva, Tal. Wankaner, District- Morbi admeasuring total 24584 square metres owned at Varmora Ceramics Private Limited (3) Exclusive charge by way of mortgage of building located at survey no.23/1, Lilapur,Morbi, Gujarat-363641 admeasuring 12140.46 square metres owned by Jaystar Industries (4) Exclusive charge by way of mortgage of Factory Land & Building located at survey no. 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal: Wankaner. Dis: Morbi, Gujarat-363621 owned by Varmora Granito Limited (formerly known as Varmora Granito Pvt. Ltd.) (Unit 2 Of Borrower) (5) Exclusive charge by way of equitable mortgage of factory land and building located at Survey No. 136/P1, 136/P2, 137, 138, 147/1P4, 8-A, National Highway, At: Sartanpar Wankaner, Rajkot, Gujarat-363622 India previously owned by Nextile Marbosys Private Limited. **Hypothecation on Equipment** : Charge by way of Hypothecation of the Wind Mill power generation turbine and equipment to HDFC Bank Ltd. **Plant and Machinery** : Exclusive Charge by way of hypothecation of Plant & Machinery Of Unit 2 Situated at 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal:Wankaner. Dis: Morbi **Plant and Machinery** : Exclusive Charge by way of hypothecation of Plant & Machinery of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited), Nextile Marbosys Private Limited and Varmora Ceramic Private Limited **Personal Guarantee** : Personal Guarantee of (1) Mr. Ashokbhai Naranbhai Patel (2) Mr. Bhavesh Vallabhdas Varmora (3) Mr. Pramodbhai Parshottambhai Patel (4) Mr. Hiren Ramanbhai Varmora **Corporate Guarantee**: Corporate Guarantee of Jaystar Industries	3M T Bill + 1.54% Spread
SBI Bank	**Primary** 1. First Pari Passu charge over entire current assets of the company for working capital limit with HDFC Bank and ICICI Bank Ltd. (Second Charge on entire stocks, book debts and all other current assets of the unit for GECL and GECL Extn facilities.) 2. All that piece and parcel of the land known and described as Non Agricultural land belongs to Solaris Ceramic Pvt Ltd, Tocco Ceramic Pvt Ltd and Coffi Sanitaryware Pvt. Ltd. **Collateral**: 1.EM of Commercial Plot bearing Factory Land & Buildings: S No. 148/1 & 148/2, House No:-S No. 148/1 & 148/2 Floor No:- Building Tower No:- Plot NO:- Sector No: City:-Village: Sartanpur District: -Morbi State:-Gujarat, Village: Sartanpur, Morbi, Gujarat, (Rural), 33488, Belongs to: TOCCO CERAMIC PVT. LTD, Who is: Borrower, Title Deed No: Sr No.0694 & 0701, Registered On: 07-MAR-11 2.EM of Commercial Building bearing Factory Land & Buildings: S NO 177/1/P1,177/1/P2 of ratavirda, House No:-S NO 177/1/P1,177/1/P2 of ratavirda Floor No:- Building Tower No:- Plot NO:- Sector No:- City-Conffi Sanitaryware Pvt. Ltd. District:-Morbi State:-, Conffi Sanitaryware Pvt. Ltd., Morbi, (Urban), 30857, Belongs to: Conffi Sanitaryware Pvt. Ltd., Who is Borrower, Title Deed No: 130,131, Registered On: 20-JAN-14, 3.EM of Commercial Plot bearing Factory Land & Buildings: S.No. 123/1, 123/1/1, 122/1, House No:-S.No. 123/1, 123/1/1, 122/1 Floor No:- Building Tower No: Plot NO:- Sector No:- City-Village: Sartanpur District:-Morbi State: Village: Sartanpur, Morbi, (Rural),: 40469, Belongs to Solaris Ceramic Pvt Ltd, Who is: Borrower, Title Deed No: 541, Registered On : 27-OCT-09 4.Hypothecation of unencumbered Plant and Machinery of Conffi Sanitarywares Pvt Ltd, Solaris Ceramic Pvt Ltd and Tocco Ceramic Pvt Ltd., **Guarantees**: i) Personal Guarantee of: 1.Manishkumar Vallabhdas Varmora 2.Bharatbhai Vallabhdas Varmora 3.Bhavesh Vallabhdas Varmora 4.Hiren Ramanbhai Varmora 5.Ashokkumar Naranbhai Patel 6.Pramodkumar Parsotambhai Patel	6 month MCLR + 0.25% Spread
ICICI Bank	Charge by way of hypothecation on all current assets of the Borrower, including but not limited to : i. book debts ii. Receivables	3M MCLR

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(a.2) Details of Quarterly Returns or statements of current assets filled with bank or financial institution for borrowings against current assets are agreement with books of accounts and discrepancies if any.

FY 2024-25 - Quarter	Books of accounts	Statement filed with bank
June	5,327.04	5,653.23
September	5,664.34	6,018.05
December	6,211.03	6,161.46
March	5,740.77	6,142.11
FY 2023-24 - Quarter	**Books of accounts**	**Statement filed with bank**
June	5,401.01	5,482.59
September	6,135.03	6,248.02
December	5,439.00	4,724.60
March	4,409.61	5,122.39

The difference in Quarterly Books of Accounts and statements is on account of untraced receivables and changes in the valuation of inventory is on account of overhead allocation and other adjustments post submission of the quarterly statements. Further, quarterly statements filed with bank are as per the sanctioned letter with respect to timing of its submission.

28 Trade Payables

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (MSME)*	25.85	6.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,778.94	1,721.09
Total	**1,804.79**	**1,727.44**

* The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

Trade payables ageing schedule
As at 31 March 2025

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	25.85	-	-	-	25.85
(ii) Others	1,767.93	8.00	0.57	2.44	1,778.94
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**1,793.78**	**8.00**	**0.57**	**2.44**	**1,804.79**

As at 31 March 2024

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	6.35	-	-	-	6.35
(ii) Others	1,715.19	2.00	1.58	2.32	1,721.09
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**1,721.54**	**2.00**	**1.58**	**2.32**	**1,727.44**

Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Principal & Interest amount remaining unpaid but due as at year end		
- Principal Amount	21.90	4.96
- Interest due thereon	3.95	1.39
(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	1.39	1.17
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	3.36	1.04
(d) Interest accrued and remaining unpaid as at year end	3.95	1.39
(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	3.95	1.39

The management has identified enterprises which have provided goods to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2025 has been made in the financials statements based on information received and available with the Company.

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29 Other Financial Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Customer trade deposits	68.02	56.02
Capital creditors	-	268.72
Liability for expense	238.98	240.49
Employee related payables	92.60	45.42
Total	**399.60**	**610.65**

30 Contract Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Advances received from customers	67.89	94.53
Total	**67.89**	**94.53**

Note:
Refer note 56 for disclosures in respect of revenue from contract with customers

31 Other Current Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues payable	106.89	15.61
Total	**106.89**	**15.61**

32 Provision (Current)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for gratuity, unfunded	3.25	3.13
Total	**3.25**	**3.13**

33 Current Tax Liability (Net)

Particulars	As at 31 March 2025	As at 31 March 2024
Current tax payable	-	22.66
Total current tax liabilities	-	**22.66**

Non current tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Current tax assets	4.20	-
Total current tax assets	**4.20**	-

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34 Revenue From Operations

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Sale of Products		
Tiles and Allied products	13,028.71	12,719.28
Other operating revenues		
Insurance facilitation charges	33.49	44.59
Export incentive income	65.97	76.10
Total	**13,128.17**	**12,839.97**

Refer note 56 for disclosures in respect of revenue from contract with customers.

35 Other Income

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Interest income		
- On fixed deposits with banks	72.90	123.81
- On inter corporate loans	40.65	43.15
- On security deposit	0.46	0.43
- On loan to employee	0.89	0.83
- Others	-	1.78
Investment classified at fair value through profit or loss	-	0.57
Profit on sale of property, plant & equipment (Net)	-	1.39
Net gain on foreign currency transactions	55.47	58.37
Net gain on fair value of derivative contracts measured at fair value through profit or loss	5.97	-
Investment classified at fair value through profit or loss	0.59	-
Balances written back	3.72	2.93
Fair value gain on DVR	34.51	-
Reversal of expected credit loss	204.10	-
Government grant income	88.47	152.53
Miscellaneous Income	3.20	1.53
Total	510.93	387.32

36 Cost of Materials Consumed

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Raw materials at the beginning of the year	123.64	128.49
Add: Purchases	2,964.14	1,834.81
Less: Raw materials at the end of the year	(176.71)	(123.64)
Total (A)	**2,911.07**	**1,839.66**

Packing Material Consumed

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Opening Stock	14.56	17.44
Add: Purchase	565.62	421.06
Less: Closing Stock	(21.38)	(14.56)
Total (B)	558.80	423.94
Total (A+B)	**3,469.87**	**2,263.60**

37 Purchases of Stock-in-trade

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Purchase of stock-in-trade	3,027.91	4,773.58
Total	**3,027.91**	**4,773.58**

38 Change in Inventories of Finished Goods, Work in Progress and Stock-in-trade

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Inventories at the beginning of the year		
Finished goods	940.80	906.80
Work-in-progress	58.07	52.09
Stock - in - trade	293.44	253.92
Total	1,292.31	1,212.81
Less: Inventories at the end of the year		
Finished goods	(1,835.19)	(940.80)
Work-in-progress	(121.12)	(58.07)
Stock - in - trade	(195.09)	(293.44)
Total	(2,151.40)	(1,292.31)
Net (increase) in inventories	**(859.09)**	**(79.50)**

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39 Employee Benefit Expenses

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Salaries, wages and bonus	894.38	836.71
Defined benefit plan (refer note 45)	13.64	11.63
Contribution to provident and other funds (refer note 45)	11.06	10.74
Share based payment expense	88.50	31.58
Staff welfare expenses	19.92	14.51
Total	1,027.50	905.17

40 Finance Costs

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Interest on borrowing	323.30	173.42
Other finance cost	12.60	8.49
Interest expenses on lease liabilities	11.82	11.78
Total	347.72	193.69

41 Depreciation and amortisation expense

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Depreciation on property, plant and equipment	985.71	403.36
Depreciation on right of use of asset	26.36	22.95
Amortisation on Intangible assets	1.83	1.23
Total	1,013.90	427.54

42 Other Expenses

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Consumption of stores & spares	385.50	269.62
Power and fuel	2,797.54	1,833.35
Labour work contract expense	630.95	458.12
Repairs & maintenance expenses		
Building	9.77	6.55
Plant and machinery	41.95	38.53
Others	7.48	7.45
Insurance expense	28.51	21.16
Legal & professional charges	56.50	34.86
Lease rent & license fees	27.21	31.69
Freight outward and transportation charges	393.85	346.08
Rates & taxes	20.89	31.38
Product designing expenses	11.65	7.65
Audit fees expense (Refer note below)	4.40	6.20
Other manufacturing expenses	25.37	19.96
Lab analysis expenses	1.31	1.28
Donation	1.88	2.45
Tours & traveling expense	56.63	37.20
Bad debt written off and expected credit loss	-	186.98
Corporate social responsibilities expense	11.01	9.14
Selling & distribution	589.14	757.17
Loss on sale of property, plant & equipment (Net)	17.76	-
Loss on fair value of call option	-	4.50
Loss on fair value of differential voting right (DVR shares)	-	3.55
Miscellaneous expenses	61.18	50.32
Total	5,180.48	4,165.19

Note : The following is the break-up of Auditor's remuneration (excluding input credit of GST availed, if any)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
As auditor:		
Statutory audit	3.65	6.05
In other capacity:		
Tax audit	0.15	0.15
Other matters	0.60	-
Total	4.40	6.20

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43 Earnings per Share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Profit attributable to the equity share holders of the company	288.33	423.53
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	20,16,25,108	20,16,21,570
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	20,29,55,044	20,20,00,780
Basic earnings per share (In ₹)	1.43	2.10
Diluted earnings per share (In ₹)	1.42	2.10

Weighted average number of equity shares used as denominator

Particulars	Number of shares	
	As at 31 March 2025	As at 31 March 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	20,16,25,108	20,16,21,570
Adjustments for calculation of diluted earning per share:		
Outstanding employee stock options	13,29,936	3,79,210
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	20,29,55,044	20,20,00,780

*The EPS presented above has been retrospectively adjusted for all presented period for share split and bonus share.

44 Contingent Liabilities and Capital Commitmnets

(a) Contingent Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Claims against the company not acknowledged as a debt		
- Claims under Central Sales Tax Act	-	2.70
- Claims under Central Excise Duty Act	58.96	56.64
- Claims under Income Tax Act	139.44	556.71
- Claims under Goods and Service Tax Act	18.65	-
- Others (National Green Tribunal)	13.68	13.68
- Interim Compensation demanded by National Green Tribunal and GPCB for the usage of Coal Gasifier Plant	18.40	18.40
- Other business litigation	0.11	61.34

(b) Capital Commitments

Particulars	As at 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances)	100.00	138.40

45 Employee Benefits

(A) Defined Contribution Plans

Contributions are made to provident fund in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as under.

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Employers' Contribution to Provident Fund and other funds	11.06	10.74

(B) Defined benefit plans (Gratuity unfunded)

a) Gratuity payable to employees

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

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The following table set out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2025 and 31 March 2024.

i) Actuarial assumptions

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate (per annum)	6.80%	7.20%
Rate of increase in Salary (per annum)	5.50%	5.50%
Normal retirement age	60 years	60 years
Average future service	23.97	24.39
Mortality rate	IALM(2012-14) Rates	IALM(2012-14) Rates
Withdrawal rates (per annum)	10.00% p.a at younger ages reducing to 2.00% p.a. at older ages	10.00% p.a at younger ages reducing to 2.00% p.a. at older ages

Note-1: The discount rate is based upon the market yield available on government bonds at the valuation date relevant to currency of benefits payments for a term that matches the liability.

Note-2: The estimates for future salary increase rate takes in to account inflation, seniority, promotion, business plan, human resource policy and other relevant factors on long term basis.

Note-3: The company provides gratuity for employees as per the payment of gratuity Act 1972.

ii) Changes in the present value of defined benefit obligation

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Present value of obligation at the beginning of the year	40.75	34.43
Interest cost	2.82	2.57
Current service cost	10.82	9.06
Benefits paid	(5.84)	(2.43)
Actuarial (gain) on obligations	(2.20)	(2.88)
Present value of obligation at the end of the year	**46.35**	**40.75**

iii) Expense recognized in the Statement of Profit and Loss

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Current service cost	10.82	9.06
Interest cost	2.82	2.57
Total expenses recognized in the Statement Profit and Loss	**13.64**	**11.63**

iv) Expense recognized in Other comprehensive income (OCI)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Actuarial (gain) on obligation for the year	(2.20)	(2.88)
Net actuarial (gains) recognised in OCI	**(2.20)**	**(2.88)**

v) Liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of unfunded obligation as at the end of the year	46.35	40.75
Net liability recognized in Balance Sheet	**46.35**	**40.75**

vi) Bifurcation of current and Non-current

Particulars	As at 31 March 2025	As at 31 March 2024
Current liability	3.25	3.13
Non-current liability	43.10	37.62
Net liability recognized in Balance Sheet	**46.35**	**40.75**

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vii) A quantitative sensitivity analysis for significant assumption is as shown below:

Impact on defined benefit obligation	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Discount rate		
Increase by 0.5%	(2.05)	(1.78)
Decrease by 0.5%	2.20	1.92
Rate of increase in salary		
Increase by 0.5%	1.79	1.61
Decrease by 0.5%	(1.76)	(1.62)
Rate of withdrawal		
Increase by 10%	0.35	0.37
Increase by 10%	(0.42)	(0.39)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting years. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant.

viii) Maturity profile of defined benefit obligation

Year	As at 31 March 2025	As at 31 March 2024
Expected outgo first	3.25	3.13
Expected outgo second	3.06	2.89
Expected outgo third	3.37	2.77
Expected outgo fourth	2.81	3.27
Expected outgo fifth	3.20	2.70
Expected outgo six to ten years	25.56	22.20
Weighted average duration	10.58 years	10.71 years

46 Employee Share Based Payments

The Company has introduced 'Varmora Employee Stock Option Plan 2023 ('ESOP 2023' or 'the Plan'). Under the plan, stock options in the Company are granted to certain employees upon meeting certain conditions. The options are equity settled and will vest over 1-3 years. The Nomination and Remuneration Committee of the Company administers the scheme and grants stock options to eligible employees The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted.

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A Description of share based payments:

Particulars	ESOP 2023
i. Date of Board approval	30-11-2023
ii. Date of Shareholders approval	08-12-2023
iii. Vesting requirements	(i) The options granted under ESOP 2023 would vest between 1-3 years (i.e. graded vesting) for all employee's except for Finance and branding team members where option will vest only with minimum service period of 3 years. (ii) Vesting conditions - other than CXO: (a) 33.33% of the granted options shall vest at the end of year 1 if service and performance conditions are satisfied; (b) 6.67% of the granted options shall vest at the end of year 2 if service and performance conditions are satisfied; (c) 20% of the granted options shall vest at the end of year 3 if service and performance conditions are satisfied; (d) 40% of the granted options shall vest when the investor's exit/Dilution. (iii) Vesting conditions - CXO: (a) 40% of the granted options shall vest at the end of year 1 if service and performance conditions are satisfied; (b) 6.67% of the granted options shall vest at the end of year 2 if service and performance conditions are satisfied; (c) 13.33% of the granted options shall vest at the end of year 3 if service and performance conditions are satisfied; (d) 40% of the granted options shall vest when the investor's exit/Dilution. (iv) Vesting of option would be subject to continued employment with the Company. (v) In addition, the Board may also specify certain performance based parameters subject to which the options would vest.
iv. Maximum vesting term of option	2 - 3 Years

Equity-settled options

The company has granted employee stock option as follows:

Particulars	As at 31 March 2025		As at 31 March 2024
Date of grant	27-06-2024	12-12-2024	08-12-2023
No. of options granted*	17,463	24,125	32,29,992
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting period	1-2 years	1-2 years	1-3 years
Exercise period	5 years from date of vesting	5 years from date of vesting	5 years from date of vesting
Vesting conditions	Service and Non market performance condition	Service and Non market performance condition	Service and Non market performance condition
Method of settlement	Equity shares of ₹ 2 each	Equity shares of ₹ 2 each	Equity shares of ₹ 2 each

*Adjusted for share split post approval of the scheme

Movement during the year

The number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	**12,91,997**	**134.19**	**12,91,997**	**134.19**
Share split during the year	19,37,995	-	-	-
Granted during the year	41,588	79.06	-	-
Forfeited during the year	5,14,248	69.03	-	-
Outstanding at the end of the year	**27,57,332**	**51.20**	**12,91,997**	**134.19**

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Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Notes to the Standalone Financial Statements
(Amount in ₹ Millions, unless otherwise stated)

B Summary of share based payments

Particulars	As at 31 March 2025	As at 31 March 2024
For share options outstanding		
Exercise prices*	2 - 114.12	2 - 114.12
Average remaining contractual life of options	5.66 years	6.80 years

*Adjusted for share split post approval of the scheme

C Fair value of employee stock options

The fair value of the equity-settled options is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted.
The following table lists the inputs to the model used for equity-settled options:

Year ended 31 March 2025	ESOP 2023	
Valuation of Stock options granted - Grant I		
Grant date	27-Jun-24	27-Jun-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	36.57	46.51
Exercise Price ₹	114.12	114.12
Expected volatility	33.83%	39.14%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	3.26 to 4.26 years	3.26 to 4.26 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant II		
Grant date	12-Dec-24	12-Dec-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	46.92	54.86
Exercise Price ₹	86.68	86.68
Expected volatility	33.33%	38.38%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	2.81 to 3.81 years	2.81 to 3.81 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant III		
Grant date	12-Dec-24	12-Dec-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	33.17	43.20
Exercise Price ₹	114.12	114.12
Expected volatility	33.33%	38.38%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	2.81 to 3.81 years	2.81 to 3.81 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant IV		
Grant date	12-Dec-24	12-Dec-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	110.95	111.06
Exercise Price ₹	2.00	2.00
Expected volatility	33.33%	38.38%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	2.81 to 3.81 years	2.81 to 3.81 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model

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Year ended 31 March 2024	**ESOP 2023**		
Valuation of Stock options granted - Grant I			
Grant date	08-Dec-23	08-Dec-23	08-Dec-23
Vesting Dates	08-Dec-24	31-Mar-25	31-Mar-26
Expiry date	08-Dec-29	31-Mar-30	31-Mar-31
Fair value of option	46.57	49.64	54.67
Exercise Price ₹	86.68	86.68	86.68
Expected volatility	36.79%	39.61%	39.71%
Basis of determination of expected volatility:			
Contractual Option Life (years) (till exercise period)	3.5 to 4.81 years	3.5 to 4.81 years	3.5 to 4.81 years
Risk free interest rate	6.90%	6.90%	6.90%
Expected dividend rate	Nil	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant II			
Grant date	08-Dec-23	08-Dec-23	08-Dec-23
Vesting Dates	08-Dec-24	31-Mar-25	31-Mar-26
Expiry date	08-Dec-29	31-Mar-30	31-Mar-31
Fair value of option	35.07	38.90	44.76
Exercise Price ₹	114.12	114.12	114.12
Expected volatility	36.79%	39.61%	39.71%
Basis of determination of expected volatility:			
Contractual Option Life (years) (till exercise period)	3.5 to 4.81 years	3.5 to 4.81 years	3.5 to 4.81 years
Risk free interest rate	6.90%	6.90%	6.90%
Expected dividend rate	Nil	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant III			
Grant date	08-Dec-23	08-Dec-23	08-Dec-23
Vesting Dates	08-Dec-24	31-Mar-25	31-Mar-26
Expiry date	08-Dec-29	31-Mar-30	31-Mar-31
Fair value of option	104.13	104.16	104.26
Exercise Price ₹	2.00	2.00	2.00
Expected volatility	36.79%	39.61%	39.71%
Basis of determination of expected volatility:			
Contractual Option Life (years) (till exercise period)	3.5 to 4.81 years	3.5 to 4.81 years	3.5 to 4.81 years
Risk free interest rate	6.90%	6.90%	6.90%
Expected dividend rate	Nil	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

The expected volatility was determined based on historical volatility in stock price of comparable listed entities, considering expected term of options. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant for equity settled options , corresponding with the expected / residual life of the share-linked instruments has been consider.

E Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

Particulars	As at 31 March 2025	As at 31 March 2024
Total Employee compensation cost pertaining to share-based payment plans	88.50	31.58
Employees compensation cost pertaining to equity-settled employee share-based payment plan included above	88.50	31.58
Employee stock options reserve as at year end	120.08	31.58

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47 Leases

Where the Company is a lessee

The Company leases various offices and lands. Rental contracts are typically made for fixed periods from one year to fifty years.

A. The following is the movement in lease liabilities during the year ended 31 March 2025 and 31 March 2024:

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	151.51	91.20
Additions during the year	17.20	76.58
Add: Interest Expenses	11.82	11.78
Less: Payments during the year	(30.19)	(28.06)
Closing balance	**150.34**	**151.51**
Current	17.92	18.10
Non-current	132.42	133.41
Closing balance	**150.34**	**151.51**

B. The following are amounts recognised in statement of profit and loss:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Depreciation expense of right-of-use assets	26.36	22.95
Interest expense on lease liabilities	11.82	11.78
Expenses relating to short-term leases	27.21	31.69
Total	**65.39**	**66.42**

C. The following are amounts recognised in cash flow statement:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Payment of lease liabilities - principal	18.37	16.28
Payment of lease liabilities - interest	11.82	11.78

D. Maturity of lease liabilities

Minimum lease payments due	As at 31 March 2025		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	28.37	10.45	17.92
1-2 years	23.69	9.31	14.38
2-3 years	21.23	8.17	13.06
More than 3 years	370.45	265.47	104.98
Total	**443.74**	**293.40**	**150.34**

Minimum lease payments due	As at 31 March 2024		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	26.41	10.50	18.10
1-2 years	21.15	9.33	11.83
2-3 years	16.50	8.68	7.82
More than 3 years	389.51	273.55	113.76
Total	**453.57**	**302.06**	**151.51**

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Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Notes to the Standalone Financial Statements
(Amount in ₹ Millions, unless otherwise stated)

48 Related Party Disclosures

1. Name of the related parties and description of relationship:

Sr. No.	Description of Relationship	Name of the related party
1	Reporting entity (VGL) being joint controlled entity	1. Katsura Investments 2. Promotor and close member of family of Promoter who are shareholders of Varmora Granito Limited and acting together Bhavesh Vallabhdas Varmora Hiren Ramanbhai Varmora Pramodkumar Parsotambhai Patel Ramanbhai Jivrajbhai Varmora Vallabhbhai Jivrajbhai Varmora Bharat Vallabhbhai Varmora Manish Vallabhbhai Varmora Ashokbhai Naranbhai Patel Rajkumar P Varmora Parshottambhai Jivarajbhai Patel Praful Parsotambhai Varmora Adarsh Harilal Patel
2	Key Management Personnel	Bhavesh Vallabhdas Varmora Hiren Ramanbhai Varmora Pramodkumar Parsotambhai Patel Bhavesh Koshti (w.e.f. 27 January 2025) Nilesh Sharma (w.e.f. 1 September 2023)
3	Subsidiaries	Simola Tiles LLP Covertek Ceramica Private Limited Varmora Sanitarywares LLP
4	Associate	Sentosa Granito Private Limited Fiorenza Granito Private Limited
5	Joint venture	Avalta Granito Private Limited Renite Vitrified LLP
6	Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives	Varmora Plastech Private Limited
7	Close members of Key Managerial Personnel	Bharat Vallabhbhai Varmora Manish Vallabhbhai Varmora Ranjanben Vallabhbhai Varmora Bhavnaben Ramanbhai Varmora Ramanbhai Jivrajbhai Varmora Vallabhbhai Jivrajbhai Varmora Parshottambhai Jivarajbhai Patel Renukaben Ashokbhai Patel Nidhi Bharatkumar Zalariya Bharatkumar Hargovindbhai Zalariya Krutika Bhavesh Koshti (w.e.f. 27 January 2025)

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2. Detail of transactions with related parties

(a) The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
1	**Subsidiaries**			
	Covertek Ceramica Private Limited	Sale of Goods (including taxes)	4.82	0.98
	Simola Tiles LLP	Sale of Goods (including taxes)	65.74	7.11
	Varmora Sanitarywares LLP	Sale of Goods (including taxes)	0.64	-
	Covertek Ceramica Private Limited	Sale of Capital Goods (including taxes)	3.30	-
	Covertek Ceramica Private Limited	Purchase of Goods (Including taxes)	857.51	1,448.54
	Simola Tiles LLP	Purchase of Goods (Including taxes)	32.26	129.74
	Varmora Sanitarywares LLP	Purchase of Goods (Including taxes)	337.13	407.29
	Simola Tiles LLP	Other Expenses	0.02	0.00
	Covertek Ceramica Private Limited	Loan Recovered	-	15.78
	Simola Tiles LLP	Loan Recovered	50.00	12.25
	Simola Tiles LLP	Loan Given	10.00	-
	Covertek Ceramica Private Limited	Deposit Interest Income	15.78	15.78
	Simola Tiles LLP	Deposit Interest Income	19.84	22.46
2	**Associate/Joint Venture**			
	Fiorenza Granito Private Limited	Sale of Goods (including taxes)	3.00	-
	Sentosa Granito Private Limited	Sale of Goods (including taxes)	0.37	0.25
	Fiorenza Granito Private Limited	Purchase of Goods (Including taxes)	78.01	196.32
	Sentosa Granito Private Limited	Purchase of Goods (Including taxes)	-	0.92
	Avalta Granito Private Limited	Purchase of Goods (Including taxes)	17.96	110.07
	Renite Vitrified LLP	Purchase of Goods (Including taxes)	13.81	30.39
	Fiorenza Granito Private Limited	Deposit Interest Income	1.48	1.48
	Avalta Granito Private Limited	Deposit Interest Income	3.38	3.38
3	**Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives**			
	Varmora Plastech Private Limited	Rent Income	0.71	0.47
	Varmora Plastech Private Limited	Purchase of Goods (Including taxes)	0.95	4.75
	Varmora Plastech Private Limited	Showroom Expense / Sales Promotion Expense (Including Tax)	-	2.60
	Varmora Plastech Private Limited	Other Expenses	0.94	0.02
4	**Key Management Personnel**			
	Hiren Ramanbhai Varmora	Sale of Goods (including taxes)	0.01	0.10
	Hiren Ramanbhai Varmora	Remunerations (Short term employee benefit)*	3.53	3.51
	Pramodkumar Parsotambhai Patel	Remunerations (Short term employee benefit)*	3.53	3.51
	Bhavesh Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	3.53	3.51
	Bhavesh Koshti	Remunerations (Short term employee benefit)*	1.83	-
	Nilesh Sharma	Remunerations (Short term employee benefit)*	1.92	0.94
	Bhavesh Vallabhbhai Varmora	Other Expense (including Taxes)	1.67	1.15
	Hiren Ramanbhai Varmora	Other Expense (including Taxes)	1.74	0.38
5	**Close members of Key Managerial Personnel**			
	Bharat Vallabhbhai Varmora	Sale of Goods (including taxes)	0.01	0.09
	Manish Vallabhbhai Varmora	Sale of Goods (including taxes)	0.05	0.03
	Ashokkumar Naranbhai Patel	Remunerations (Short term employee benefit)*	2.65	2.63
	Bharat Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	3.53	3.51
	Nidhi Bharatkumar Zalariya	Remunerations (Short term employee benefit)*	0.82	-
	Manish Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	3.53	3.51
	Ranjanben Vallabhbhai Varmora	Rent paid	0.30	-
	Bharat Vallabhbhai Varmora	Other Expense (including Taxes)	0.14	0.01
	Manish Vallabhbhai Varmora	Other Expense (including Taxes)	0.04	0.11
	Ashokbhai Naranbhai Patel	Other Expense (including Taxes)	0.24	-
	Krutika Bhavesh Koshti	Other Expense (including Taxes)	1.00	-

(0.00 Denotes amount less than ₹ 50,000)

* Does not include employee benefits in relation to gratuity, as such provisions are for the Company as a whole.

All the related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

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(b) Following are the balances outstanding as at the year end:

Sr. No.	Name of the related party	Nature of transaction	As at 31 March 2025	As at 31 March 2024
1	**Subsidiaries**			
	Covertek Ceramica Private Limited	Trade Receivable	1.52	0.39
	Simola Tiles LLP	Trade Receivable	45.09	-
	Covertek Ceramica Private Limited	Payables	141.04	291.62
	Simola Tiles LLP	Payables	4.79	1.49
	Varmora Sanitarywares LLP	Payables	44.39	41.17
	Covertek Ceramica Private Limited	Loan Receivable	189.51	175.31
	Simola Tiles LLP	Loan Receivable	237.62	259.77
2	**Associate/ Joint Venture**			
	Fiorenza Granito Private Limited	Trade Receivable	2.10	-
	Fiorenza Granito Private Limited	Payables	29.41	30.23
	Avalta Granito Private Limited	Payables	2.07	16.11
	Renite Vitrified LLP	Payables	-	4.94
	Fiorenza Granito Private Limited	Loan Receivable	17.72	16.39
	Avalta Granito Private Limited	Loan Receivable	40.54	37.50
	Renite Vitrified LLP	Advance given to vendor	10.00	-
3	**Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives**			
	Varmora Plastech Private Limited	Trade Receivable		
	Varmora Plastech Private Limited	Payables	-	0.16
4	**Key Management Personnel**			
	Hiren Ramanbhai Varmora	Trade Receivable	0.38	0.70
	Bhavesh Vallabhbhai Varmora	Payables	0.02	0.01
	Hiren Ramanbhai Varmora	Remunerations (Short term employee benefit)*	0.28	-
	Pramodkumar Parsotambhai Patel	Remunerations (Short term employee benefit)*	0.28	-
	Bhavesh Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	0.28	-
	Bhavesh Koshti	Remunerations (Short term employee benefit)*	0.61	-
	Nilesh Sharma	Remunerations (Short term employee benefit)*	0.15	-
	Bhavesh Vallabhbhai Varmora	Equity component of compound financial instrument (NCRPS)	1.32	1.32
	Hiren Ramanbhai Varmora		0.59	0.59
	Pramodkumar Parsotambhai Patel		1.26	1.26
5	**Close members of Key Managerial Personnel**			
	Bharat Vallabhbhai Varmora	Trade Receivable	-	1.08
	Bharatbhai Hargovindbhai Zalariya	Trade Receivable	-	0.01
	Ashokkumar Naranbhai Patel	Trade Receivable	0.06	-
	Manish Vallabhbhai Varmora	Trade Receivable	-	0.11
	Bharat Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	0.28	-
	Ashokkumar Naranbhai Patel	Remunerations (Short term employee benefit)*	0.21	-
	Nidhi Bharatkumar Zalariya	Remunerations (Short term employee benefit)*	0.07	-
	Manish Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	0.28	-
	Bharat Vallabhbhai Varmora	Equity component of compound financial instrument (NCRPS)	1.47	1.47
	Manish Vallabhbhai Varmora		0.72	0.72
	Parsotambhai Jivrajbhai Patel		1.42	1.42
	Nidhi Bharatkumar Zalariya		1.45	1.45
	Bharatkumar Hargovindbhai Zalariya		2.69	2.69
	Ashokkumar Naranbhai Patel		0.95	0.95
	Renukaben Ashokbhai Patel		0.06	0.06
	Bhavnaben Ramanbhai Varmora		1.50	1.50
	Ramanbhai Jivrajbhai Varmora		3.00	3.00
	Vallabhbhai Jivrajbhai Varmora		2.38	2.38

(0.00 Denotes amount less than ₹ 50,000)

Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

49 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the group falls within one broad business segment viz. "Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country. The Company is not reliant on revenues from transactions with any single external customers.

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50 Fair Values of Financial Assets and Financial Liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, lease liability and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial - term deposits is not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The impact of fair value on such portion is not material and therefore not considered for above disclosure. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

The carrying value of financial instruments by categories is as follows:

Particulars	As at 31 March 2025		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in mutual fund	7.69	-	-
Trade receivables	-	-	3,375.82
Cash and cash equivalents	-	-	810.71
Bank balances other than cash and cash equivalent	-	-	309.06
Loans	-	-	503.33
Other financial asset	-	-	50.03
Derivative financial asset	43.07	-	-
Total	**50.76**	-	**5,048.95**
FINANCIAL LIABILITIES			
Borrowings	-	-	4,057.28
Lease liabilities	-	-	150.34
Trade payables	-	-	1,804.79
Other financial labilities	-	-	399.60
Total	-	-	**6,412.01**

Particulars	As at 31 March 2024		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in Mutual Fund	7.10	-	-
Trade receivables	-	-	2,949.57
Cash and cash equivalents	-	-	911.38
Bank balances other than cash and cash equivalent	-	-	35.96
Loans	-	-	507.39
Other financial asset	-	-	91.05
Derivative financial asset	37.10	-	-
Total	**44.20**	-	**4,495.35**
FINANCIAL LIABILITIES			
Differential voting rights (DVR shares), measured at FVTPL	47.56	-	-
Borrowings	-	-	3,193.86
Lease liabilities	-	-	151.51
Trade payables	-	-	1,727.44
Other financial labilities	-	-	610.65
Total	**47.56**	-	**5,683.46**

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51 Fair Value Hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

The following table presents fair value hierarchy of assets and liabilities measured at fair value :

As at 31 March 2025

Particulars	Level 1	Level 2	Level 3
FINANCIAL ASSETS			
Financial assets measured at fair value through profit or loss			
Investments in mutual funds	7.69	-	-
Derivative financial asset	-	-	43.07

As at 31 March 2024

Particulars	Level 1	Level 2	Level 3
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investments in mutual funds	7.10	-	-
Derivative financial asset	-	-	37.10
FINANCIAL LIABILITIES			
(a) Financial Liabilities measured at fair value through profit or loss			
Differential voting rights (DVR shares)	-	-	47.56

There have been no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2025 and 31 March 2024.

(i) Derivative financial asset (Call option on non- controlling Interest of Simola Tiles LLP) - A purchased call option over 41% of Interest in an acquired subsidiary i.e Simola Tiles LLP is initially recognised as a financial asset at its fair value, with any subsequent changes in the fair value of the option recognised in profit or loss. The initial credit entry for the call option has been recognised as part of consideration towards purchase of 59% of interest as part of Investment and purchase of call option over 41% Interest in the entity. If such purchased call option lapses, the financial asset is derecognised, with a debit to profit or loss and if such purchased call option is exercised, the financial asset is derecognised with an adjustment to the cost of investment of purchasing the Interest subject to the option.

The valuation of such call option has been carried out by the registered valuer as per Black-Scholes-Merton Option Pricing Model ("BSM") to estimate the fair value of the Call options as of the Valuation Date. Following unobservable inputs has been used:

Inputs:	31 March 2025	31 March 2024
Number of periods to Exercise in years (t)	0.60	0.90
Risk-Free Interest Rate (rf)	6.60%	6.90%
Volatility	37.91%	33.20%
Call Option Price	**43.07**	**37.10**

(ii) Differential voting Rights (DVR) - 30,000 equity shares with differential voting rights are in the nature of liability as DVR holders have a right to put/ require company to buyback such shares at fair value of the equity shares of the Company and consequently the DVR's are measured at fair value through profit and loss.

The fair value has been measured based on the fair value of the equity shares of the company of ₹ 1,467 per equity share as at 31 March 2024 which is based on the discounted cash flow method with the weighed average cost of capital of 14.44%, terminal growth rate of 5%, EBITDA margin of 14.8% along with PBT margin of 12.70% and tax rate of 25.2%.

52 Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of the company's financial instruments as at 31 March 2025 to interest rate risk is as follows:

Particulars	As at 31 March 2025	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial liabilities					
Current borrowing	2,293.65	2,285.13	8.52	-	2,293.65
Non-current borrowings	1,763.63	1,755.49	8.14	-	1,763.63

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The exposure of the company's financial instruments as at 31 March 2024 to interest rate risk is as follows:

Particulars	As at 31 March 2024	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial liabilities					
Current borrowing	1,163.58	1,156.57	7.01	-	1,163.58
Non-current borrowings	2,030.28	2,016.82	13.46	-	2,030.28

Interest Rate Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's interest outflow due to changes in the interest rate on floating rate borrowings. Moreover, the sensitivity may not entirely impact the profit or loss as it is subject to the portion of interest eligible for capitalization.

Particulars	As at 31 March 2025	As at 31 March 2024
1 % increase would decrease the profit / equity before tax by*	(40.41)	(31.73)
1 % decrease would increase the profit / equity before tax by*	40.41	31.73

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised during the year.

(ii) 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 Sale and purchase in foreign currency.
The Company's foreign currency transactions are mainly in United States Dollar (USD), Australian Dollar (AUD), Ruble (RUB) and Euro (EUR). Consequently, the Company is exposed to the risk that the exchange rate of the Indian Rupees (INR) relatively to USD, Australian Dollar (AUD), Ruble (RUB) and Euro (EUR) may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in INR.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

Foreign currency denominated financial assets and liabilities (unhedged) which expose the Company to currency risk are disclosed below.

Foreign Currency	As at 31 March 2025		As at 31 March 2024	
	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) in ₹ Million	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) in ₹ Million
AUD	0.10	5.47	-	-
EUR	1.48	136.86	3.51	316.38
RUB	7.86	7.93	1.17	1.05
USD	10.42	892.06	9.19	763.46

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 5% against the relevant currency. For a 5% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Foreign Currency	Increase		Decrease	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Sensitivity				
AUD / INR	0.27	-	(0.27)	-
EUR / INR	6.84	15.82	(6.84)	(15.82)
RUB / INR	0.40	0.05	(0.40)	(0.05)
USD / INR	44.60	38.17	(44.60)	(38.17)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

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Expected credit loss in respect of trade receivables as on 31 March 2025 is as below:

Ageing	Less than 90 days	90-180 days	180-270 days	271-360 days	361 and above	Total
Gross Carrying amount (as on 31 March 2025)	3,204.58	125.57	75.68	42.52	329.96	3,778.31
Expected credit losses (loss allowance provision)	(21.68)	(24.46)	(34.88)	(30.39)	(291.08)	(402.49)
Expected loss rate	0.68%	19.48%	46.09%	71.47%	88.22%	10.65%
Carrying amount of trade receivables (net of impairment)	**3,182.90**	**101.11**	**40.80**	**12.13**	**38.88**	**3,375.82**

Expected credit loss in respect of trade receivables as on 31 March 2024 is as below:

Ageing	Less than 90 days	90-180 days	180-270 days	271-360 days	361 and above	Total
Gross Carrying amount (as on 31 March 2024)	2,780.48	317.23	70.78	83.08	334.15	3,585.72
Expected credit losses (loss allowance provision)	(122.60)	(73.66)	(41.03)	(65.97)	(332.89)	(636.15)
Expected loss rate	4.41%	23.22%	57.97%	79.41%	99.62%	17.74%
Carrying amount of trade receivables (net of impairment)	**2,657.88**	**243.57**	**29.75**	**17.11**	**1.26**	**2,949.57**

The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Opening Provision	636.15	457.40
Add: Adjustments during the year, excluding write off of ₹ 29.56 Millions (31 March 2024 : ₹ 8.23 Millions)	(233.66)	178.75
Closing provision	402.49	636.15

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	Carrying amount	Contractual maturities			
	Amount	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31 March 2025					
Borrowings	4,057.28	2,293.65	1,372.99	390.64	4,057.28
Lease labilities	150.34	17.92	36.07	96.35	150.34
Trade payables	1,804.79	1,804.79	-	-	1,804.79
Other financial liabilities	399.60	399.60	-	-	399.60
Total	**6,412.01**	**4,515.96**	**1,409.06**	**486.99**	**6,412.01**

Particulars	Carrying amount	Contractual maturities			
	Amount	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31 March 2024					
Borrowings	3,193.86	1,163.58	1,354.45	675.83	3,193.86
Lease labilities	151.51	18.10	32.54	100.87	151.51
Trade payables	1,727.44	1,727.44	-	-	1,727.44
Other financial liabilities	658.21	610.65	47.56	-	658.21
Total	**5,731.02**	**3,519.77**	**1,434.55**	**776.70**	**5,731.02**

Changes in Liability arising from Financing activities

Particulars	Borrowings	Lease liabilities	Total
Balance as on 1 April 2023	**1,600.00**	**91.20**	**1,691.20**
Cash flows	1,595.44	(28.06)	1,567.38
Non-cash adjustments including interest	(1.58)	88.37	86.79
Balance as on 31 March 2024	**3,193.86**	**151.51**	**3,345.37**
Cash flows	863.45	(30.19)	833.26
Non-cash adjustments including interest	(0.03)	29.02	28.99
Balance as on 31 March 2025	**4,057.28**	**150.34**	**4,207.62**

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53 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current and current borrowings. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at 31 March 2025	As at 31 March 2024
Equity share capital	403.25	399.66
Instruments entirely equity in nature	-	175.76
Other equity	6,889.80	6,339.16
Total equity (i)	**7,293.05**	**6,914.58**
Borrowings	4,057.28	3,193.86
Lease liabilities	150.34	151.51
Less: cash and cash equivalents	(810.71)	(911.38)
Less: Bank balance other than cash and cash equivalents	(309.06)	(35.96)
Net Debt (ii)	**3,087.85**	**2,398.03**
Gearing ratio ((ii)/(i))	**42.34**	**34.68**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

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54 Business Combination under Common Control

On 12 October 2023, Regional Director has approved the Scheme of Amalgamation under section 233 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Rule 25 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 of Conffi Sanitaryware Private Limited (CSPL), Nextile Marbosys Private Limited (NMPL), Solaris Ceramics Private Limited (SCPL), Tocco Ceramic Private Limited (TCPL) and Varmora Ceramics Private Limited (VCPL) [collectively referred to as the "Transferor Companies"] with Varmora Granito Limited (VGL) ("Transferee Company") and their respective shareholders and creditors ("Scheme") with the effect from 1 April 2023 ("Appointed date").

In accordance with the Scheme, the accounting treatment has been given in the standalone financial statements of VGPL in accordance with paragraph 15 of Scheme as follows:

(i) Transferee Company gave effect to the amalgamation being in the nature of business combination of entities under common control, in its books of account in accordance with "Pooling of Interest Method" as prescribed under Appendix C of Indian Accounting Standard (Ind AS) 103 Business Combinations specified under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015.

(ii) the Transferor Companies stand dissolved, and all assets, liabilities and reserves of Transferor Companies were transferred to and vested in Transferee Company and are recorded at the respective carrying value and in the same form as appearing in the consolidated financial statement of Transferee Company, being the Holding Company in respect of Transferor Companies.

(iii) To the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, including investments of Transferee Company in the equity share capital of Transferor Companies were cancelled and there is no further obligations/outstanding in respect thereof.

(iv) The excess of carrying value of investment in the equity shares of Transferor Companies in the books of Transferee Company, and the amount of equity share capital of Transferor Companies, were adjusted against the existing capital or revenue reserves of the Transferee Company to the extent available, in that order, and unadjusted remaining amount, if any, were recorded separately in amalgamation adjustment deficit account and any excess of equity share capital of Transferor Companies over carrying value of investment in the equity shares of Transferor Companies in the books of Transferee Company was credited to capital reserve on amalgamation and was presented separately from other capital reserves in the books of Transferee Company.

(v) No adjustment was made to reflect fair values or recognise any new assets or liabilities except to harmonize accounting policies between the Transferor Companies and Transferee Company. In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company prevails and the difference were adjusted in the revenue reserves of the Transferee Company, to ensure that the merged financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

(vi) The comparative financial information presented in the financial statements of the Transferee Company were restated for the accounting impact of the merger from the beginning of the preceding period in the financial statements, irrespective of the actual date of business combination.

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Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Notes to Standalone Financial Statements
(Amount in ₹ Millions, unless otherwise stated)

Particulars	As at 1 April 2022				
	Varmora Ceramics Private Limited	Solaris Ceramics Private Limited	Tocco Ceramic Private Limited	Conffi Sanitaryware Private Limited	Nextile Marbosys Private Limited
Assets:					
Property, plant and equipment	16.15	376.82	225.09	101.12	834.03
Capital work in progress	-	31.43	-	-	-
Right-to-use asset	0.39	0.75	0.93	-	-
Intangible assets	-	-	0.29	-	3.10
Financial assets					
(i) Investments	-	95.56	6.23	-	-
(ii) Other financial assets	4.64	0.02	1.43	2.05	11.61
(iii) Loans	-	13.08	-	-	-
Deferred tax assets	-	-	-	8.28	-
Other non-current assets	-	4.54	-	-	0.03
Inventories	-	109.60	153.23	205.04	210.51
Financial assets					
(i) Trade receivables	-	465.98	352.77	250.17	249.48
(ii) Cash and cash equivalents	6.41	0.63	1.66	5.04	1.78
(iii) Other bank balances	-	16.34	1.44	3.24	13.01
(iv) Other financial assets	0.18	23.13	0.07	0.65	2.20
(iv) Loans	-	-	-	-	-
Current tax asset	0.33	-	-	-	(0.62)
Other current assets	0.69	8.91	36.39	9.86	13.56
Total	**28.79**	**1,146.79**	**779.53**	**585.45**	**1,338.69**
Less: liabilities					
Financial liabilities					
(i) Borrowings	-	141.38	27.52	33.90	475.37
(ii) Lease liabilities	0.35	0.74	0.91	-	-
(iii) Other financial liabilities	-	-	-	-	18.71
Provisions	-	4.28	2.66	7.78	1.97
Financial liabilities					
(i) Borrowings	-	185.16	190.29	96.88	209.28
(ii) Lease liabilities	0.03	0.01	0.01	-	-
(iii) Trade payables	0.10	216.94	221.80	118.95	224.09
(iv) Other financial liabilities	0.02	8.16	16.77	31.25	11.19
Other Current liabilities	-	11.88	23.51	14.86	22.31
Contract liabilities	-	0.24	-	6.74	8.91
Provisions	-	0.37	0.18	0.11	0.01
Deferred Tax liabilities (net)	1.46	24.76	2.03	-	(25.89)
Tax Liabilities	-	-	0.11	4.18	-
Total	**1.96**	**593.92**	**485.79**	**314.65**	**945.95**
Other equity	6.82	452.86	233.73	195.79	81.09
Equity share capital (A)	20.01	100.01	60.01	75.01	129.22
Non-controlling Interest (B)	-	173.88	93.75	136.39	34.93
Investment in common control entities(C)	23.82	116.79	121.15	49.07	112.94
Adjustments on account of common control transaction((C-(A-B))	**3.81**	**190.66**	**154.89**	**110.45**	**18.65**

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Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Notes to Standalone Financial Statements
(Amount in ₹ Millions, unless otherwise stated)

Particulars	As at 31 March 2023				
	Varmora Ceramics Private Limited	Solaris Ceramics Private Limited	Tocco Ceramic Private Limited	Conffi Sanitaryware Private Limited	Nextile Marbosys Private Limited
Assets:					
Property, plant and equipment	15.34	352.01	202.60	91.91	723.50
Capital work in progress	-	-	-	-	-
Right-to-use asset	0.37	0.72	0.89	-	9.21
Intangible assets	-	-	-	-	1.97
Financial assets					
(i) Investments	-	-	6.52	-	11.10
(ii) Other financial assets	6.39	0.02	1.51	2.54	12.23
(iii) Loans	-	-	-	-	-
Deferred tax assets	(2.22)	(9.37)	(2.76)	14.80	10.82
Other non-current assets	-	0.11	-	-	0.03
Inventories	172.08	141.81	166.37	302.23	238.54
Financial assets					
(i) Trade receivables	216.67	431.24	170.35	287.16	437.47
(ii) Cash and cash equivalents	0.31	0.35	1.33	0.34	1.02
(iii) Other bank balances	-	17.09	2.12	2.76	13.42
(iv) Other financial assets	0.23	1.83	0.08	0.65	0.84
Current tax asset	-	-	-	-	-
Other current assets	8.42	5.35	7.51	5.53	16.35
Total	**417.59**	**941.16**	**556.52**	**707.92**	**1,476.50**
Less: liabilities					
Financial liabilities					
(i) Borrowings	141.00	58.52	2.03	153.77	358.22
(ii) Lease liabilities	0.35	0.73	0.90	-	5.13
(iii) Other financial liabilities	-	-	-	-	-
Provisions	1.54	1.44	0.73	4.39	2.03
Deferred Tax Liabilities (net)	-	-	-	-	-
Financial liabilities					
(i) Borrowings	45.47	159.52	145.26	112.18	263.56
(ii) Lease liabilities	0.03	0.01	0.01	-	3.99
(iii) Trade payables	138.21	120.48	126.91	141.40	334.53
(iv) Other financial liabilities	4.87	4.07	12.21	27.26	11.27
Contract liabilities	4.03	-	-	3.85	3.44
Other current liabilities	1.74	15.14	22.52	12.94	27.71
Provisions	0.15	0.24	0.09	0.39	0.28
Current tax liabilities (net)	(2.68)	4.85	5.29	14.52	12.27
Tax Liabilities					
Total	**334.71**	**365.00**	**315.95**	**470.70**	**1,022.43**
Other equity	62.87	409.39	195.21	180.09	188.72
Equity Share capital (A)	20.00	166.77	45.36	57.12	223.49
Investment in common control entities(B)	23.82	216.79	160.51	160.50	251.65
Adjustment on account of common control transaction (B-A)	**3.82**	**50.02**	**115.15**	**103.38**	**28.16**

55 During the financial year 2022-23, the Company has acquired remaining interest in the subsidiaries against the payment of ₹ 440.24 Millons in cash.

Particulars	Varmora Ceramics Private Limited	Solaris Ceramics Private Limited	Tocco Ceramic Private Limited	Conffi Sanitaryware Private Limited	Nextile Marbosys Private Limited
Consideration paid in cash	-	98.39	112.50	184.91	44.44

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56 Revenue from Contracts with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

(i)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Sale of products		
Tiles and Allied products	13,028.71	12,719.28
Total	**13,028.71**	**12,719.28**

(ii)

Geographical markets	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
India	10,406.98	9,832.55
Outside India	2,621.73	2,886.73
Total	**13,028.71**	**12,719.28**

(iii)

Timing of revenue recognition	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
At a point in time	13,028.71	12,719.28
Total	**13,028.71**	**12,719.28**

Significant changes in contract asset and contract liability during the period are as follows:

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

Trade receivables and contract liabilities

Trade receivables are recorded when the right to consideration becomes unconditional.

Contract liabilities primarily relate to the company's obligation to transfer goods or services to customer for which the company has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the company performs under the contract.

Contract liabilities are presented under Advances from Customers in the note 30 of the standalone financial statements.

Assets and liabilities related to contracts with customers

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	3,375.82	2,949.57
	3,375.82	**2,949.57**
Contract liabilities at the beginning of the year	94.53	82.08
Deferred / (Released) to the income statement, net	26.64	(12.45)
Contract liabilities at the end of the year	**67.89**	**94.53**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Revenue as per contract	13,340.11	13,055.27
Adjustments	311.40	335.99
Revenue from contract with customers	**13,028.71**	**12,719.28**

57 Additional Disclosures

As per Schedule III, the following additional disclosures are required:

A Details of benami property held

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

B Wilful defaulter

The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

C Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

D Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

E Undisclosed income

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

F Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

G Valuation of property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the current or previous year.

H Registration of charges or satisfaction with registrar of companies

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

I Utilisation of borrowed funds and share premium

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

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58 Corporate Social Responsibility (CSR)

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act 2013 read with schedule VII thereof:

(a) Gross amount required to be spent by the company during the year ₹ 11.01 Millions (2024: ₹ 9.14 Millions)

(b) Amount spent during the year on -

Nature	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
a) Gross amount to be spent by the company during the year	11.01	9.14
b) Amount brought forward from the previous year	5.71	2.81
c) Amount spent by the company:		
(i) Construction/Acquisition of assets	-	-
(ii) Purpose other than (i)	13.71	12.03
d) Amount unspent	-	-
e) Excess amount carried forward	8.41	5.71

59 Ratios

Sl.	Particulars	Numerator	Denominator	31 March 2024	31 March 2025	Variance	Reason
i	Current ratio	Current assets	Current liabilities	1.63	1.68	-3.16%	N/A
ii	Debt-Equity Ratio	Total Debt(1)	Shareholder's Equity	0.58	0.48	20.20%	N/A
iii	Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	2.07	1.70	21.83%	N/A
iv	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.04	0.06	-32.35%	Reduction in profit after tax
v	Inventory turnover ratio	Cost of goods sold(4)	Average Inventory	2.95	4.88	-39.58%	Increase in inventory as compared to previous year
vi	Trade receivables turnover ratio	Revenue	Average Trade Receivable	4.15	4.19	-0.93%	N/A
vii	Trade payables turnover ratio	Purchases and other expenses(5)	Average Trade Payables	4.99	4.94	1.11%	N/A
viii	Net capital turnover ratio	Revenue	Working Capital	4.46	5.12	-12.87%	N/A
ix	Net profit ratio	Net Profit	Revenue	0.02	0.03	-26.79%	Reduction in profit after tax
x	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(6)	0.07	0.08	-14.26%	N/A
xi	Return on Investment(ROI)	Income generated from bank deposits	Average investments (7)	0.07	0.08	-13.10%	N/A

Notes:

(1) Debt represents Borrowings and Lease Liabilities

(2) Net profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc

(3) Borrowings and Lease payments for the current year

(4) Represent cost of material consumed, purchase of stock in trade and changes in inventory

(5) Represent purchases and direct cost of operations

(6) Capital Employed= Tangible networth + total debt + Deferred tax liabilities

(7) Average of Bank deposits

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60 The Ministry of Corporate Affairs (MCA) has prescribed requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintenance of its books of account which has a feature of recording audit trail (edit log) facility. The audit trail (edit log) feature was enabled from 5 April 2024 at the application level due to implementation of a new accounting software, however, during this period the Company has not created any entries in the accounting software and the same was not enabled at database level to log any direct data changes.

Further there is no instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention from the date the audit trail feature was enabled for accounting software except for one of the accounting software where the audit trail pertaining to the period from 1 April 2023 to 31 March 2024 has not been preserved and such accounting software is discontinued during the current year.

61 Events occuring after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the standalone financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 26 June 2025, there are no subsequent events to be recognized or reported that are not already disclosed.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 26/06/2025

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora	**Hiren Varmora**	**Bhavesh Koshti**	**Nilesh Sharma - ACS**
Managing Director	**Director**	**Chief Financial officer**	**Company Secretary**
DIN: 02718600	DIN: 05162353		M.No. 32273
Place: Ahmedabad	Place: Ahmedabad	Place: Ahmedabad	Place: Ahmedabad
Date: 26/06/2025	Date: 26/06/2025	Date: 26/06/2025	Date: 26/06/2025

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