

Independent Auditor's Report

To the Members of 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 Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the 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 2024, 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 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.

Emphasis of Matter – Merger of subsidiaries under common control

4. We draw attention to Note 2.01 and 55 to the accompanying standalone financial statements which describes that the Company has prepared the accompanying standalone financial statements after giving effect to the Scheme of amalgamation of Solaris Ceramics Private Limited, Varmora Ceramics Private Limited, Nextile Marbosys Private Limited, Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited (referred to as 'the Transferor Companies') into the Company based on the approval of Regional Director vide order dated 12 October 2023 with an appointed date of 1 April 2023 in accordance with the requirements of the approved Scheme and Appendix C to Ind AS 103, Business Combinations, applicable to common control business combinations. Accordingly, the comparative financial information presented in the accompanying standalone financial statements has been restated from the beginning of the earliest period presented, being 01 April 2022.

Our opinion is not modified in respect of this matter.

Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India



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

5. The Company's Board of Directors are responsible for the other information. Other information 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.

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

6. 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.
7. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. 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

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.

Other Matter

12. The comparative financial information for the year ended 31 March 2023 and the transition date opening balance sheet as at 1 April 2022 has been restated giving effect to the Scheme of amalgamation of the Transferor Companies. Such financial information of Solaris Ceramics Private Limited, Varmora Ceramics Private Limited, Nextile Marbosys Private Limited, Conffi Sanitaryware Private Limited, Tocco Ceramics Private Limited for the year ended 31 March 2023 and 1 April 2022 prepared in accordance with Ind AS, has been audited by K C Mehta & Co LLP who has issued unmodified opinions vide their audit reports dated 20 September 2024, which has been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying standalone financial statements.

Our opinion above on the standalone financial statements is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

13. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2022 and 31 March 2023 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 on which we issued auditor's reports to the members of the Company dated 13 December 2022 and 14 September 2023 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us.

Report on Other Legal and Regulatory Requirements

14. 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.



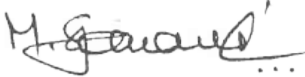
15. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. Further to our 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) 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, except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - 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 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) The adverse remark relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 16(b) above on reporting under section 143(3)(b) of the Act and paragraph 16(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 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 45 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - 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 2024;
 - 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 2024;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 58I 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



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- by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 58I 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
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2024.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enabled at database level for accounting software to log any direct data changes, as described in note 61 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

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



Mehulkumar Sharadkumar Janani
Partner
Membership No.: 118617
UDIN: 24118617BKBFHD8185

Place: Ahmedabad
Date: 23 September 2024



Annexure A referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Varmora Granito Private Limited on the standalone financial statements for the year ended 31 March 2024

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, investment property 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, investment property 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, investment property 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 6 and 8 to the standalone financial statements, are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (Rs. In Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Right of use of assets – Land	816.41	Conffi Sanitaryware Private Limited	No	1 April 2023	Due to merger of the entity into Varmora Granito Private Limited

- (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 28B 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:



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Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of Varmora Granito Private Limited on the standalone financial statements for the year ended 31 March 2024

Name of the Bank / financial institution	Working capital limit sanctioned (Rs. in Lakhs)	Nature of current assets offered as security	Quarter	Information disclosed as per return (Rs. In Lakhs)	Information as per books of accounts (Rs. In Lakhs)	Difference
HDFC Bank Limited	5,000.00	Inventory and Book Debt	June-2023	54,825.92	54,010.10	815.82
			Sept-2023	62,480.15	61,350.31	1,129.84
ICICI Bank	2,500.00		Dec-2023	47,245.97	54,390.00	7,144.03
			Mar-2023	51,223.85	44,096.05	7,127.80

- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments into company and limited liability partnerships during the year, in respect of which:
- The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
 - The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in 1 entity, amounting to Rs. 1,459.51 (year-end balance Rs. 2,202.01 Lakhs). The investments made are prima facie not prejudicial to the interest of the Company.
 - In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
 - There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
 - The Company has not granted any loans or advances in the nature of loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
 - The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (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 loans and investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and 186 of the Act in respect of 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.



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Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of Varmora Granito Private Limited on the standalone financial statements for the year ended 31 March 2024

- (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 Lakhs)	Amount paid under Protest (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	1.87	0.60	AY 2015-16	Commission of Income Tax (Appeals), Rajkot
		4,177.14	420.00	AY 2018-19	
		512.38	90.05	AY 2018-19	Commissioner of Income tax (Appeal)
Central Excise Act 1944	Excise Duty	553.09	80.00	FY 2004-08	Commissioner of central excise
		13.34	-	Feb 2015 - Dec 2015	CESTAT, Ahmedabad

- (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.



Chartered Accountants

Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of Varmora Granito Private Limited on the standalone financial statements for the year ended 31 March 2024

- (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.
- (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 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.

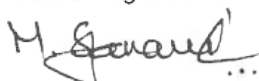


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Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of Varmora Granito Private Limited on the standalone financial statements for the year ended 31 March 2024

- (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.
- (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 Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Mehulkumar Sharadkumar Janani
Partner
Membership No.: 118617
UDIN: 24118617BKBFD8185

Place: Ahmedabad
Date: 23 September 2024



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 Private Limited ('the Company') as at and for the year ended 31 March 2024, 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



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Annexure B to the Independent Auditor's Report of even date to the members of Varmora Granito Private Limited on the standalone financial statements for the year ended 31 March 2024

those 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 2024, 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 Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Mehulkumar Sharadkumar Janani
Partner
Membership No.: 118617
UDIN: 24118617BKBFHD8185

Place: Ahmedabad
Date: 23 September 2024



Varmora Granito Private Limited
Standalone Balance Sheet as at 31 March 2024
(Amount in ₹ in Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
ASSETS				
Non-Current Assets				
Property, plant and equipment	6	57,182.19	19,151.11	21,416.52
Capital work-in-progress	7	237.77	277.91	428.86
Right of use of assets	8	1,494.83	907.80	290.27
Other Intangible assets	9	76.20	23.67	39.37
Financial Assets				
i. Investments	10	10,098.71	8,633.47	3,311.20
ii. Loans	11	-	-	130.80
iii. Other financial assets	12	483.49	419.79	301.42
Deferred tax asset (net)	20	912.01	924.36	472.18
Other non-current assets	13	360.35	312.18	206.76
Total Non-Current Assets		70,845.56	30,650.29	26,597.38
Current Assets				
Inventories	14	14,600.31	13,935.49	10,325.67
Financial assets				
i. Trade receivables	15	29,495.74	31,842.12	23,398.06
ii. Cash and cash equivalents	16	9,113.76	22,468.41	2,880.53
iii. Bank balances other than cash and cash equivalents	17	359.64	519.27	497.44
iv. Other financial assets	18	5,871.73	5,711.19	3,254.83
Other current assets	19	2,304.43	1,584.81	1,672.94
Total Current Assets		61,745.61	76,061.29	42,029.47
TOTAL ASSETS		132,591.17	106,711.57	68,626.85
EQUITY AND LIABILITIES				
Equity				
Equity share capital	21(a)	3,996.56	1,332.19	998.67
Instruments entirely equity in nature	21(b)	1,757.59	1,757.59	-
Other equity	22	63,391.57	61,483.37	19,509.74
Total Equity		69,145.72	64,573.15	20,508.41
LIABILITIES				
Non-Current Liabilities				
Financial liabilities				
i. Borrowings	23	20,302.75	3,631.37	8,405.66
ii. Lease Liability	24	1,334.06	737.33	222.42
iii. Other financial liabilities	25	475.63	440.10	187.11
Provisions	26	376.20	313.39	367.83
Other non-current liabilities	27	4,292.41	418.82	1,073.69
Total Non-Current Liabilities		26,781.05	5,541.01	10,256.71
Current Liabilities				
Financial liabilities				
i. Borrowings	28	11,635.76	12,368.62	15,934.27
ii. Lease liability	24	181.01	174.71	61.95
iii. Trade payables	29	-	-	-
(a) total outstanding dues of micro enterprises and small enterprises		63.51	141.95	190.97
(b) total outstanding dues of creditors other than micro enterprises		17,210.84	19,543.89	16,839.83
iv. Other financial liabilities	30	6,106.38	2,054.19	2,165.14
Contract liabilities	31	945.34	820.81	1,109.74
Other current liabilities	32	263.71	919.35	979.94
Provisions	33	31.25	30.87	21.29
Current tax liabilities (net)	34	226.59	543.02	558.60
Total Current Liabilities		36,664.39	36,597.41	37,861.73
TOTAL EQUITY AND LIABILITIES		132,591.17	106,711.57	68,626.85

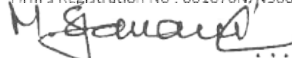
The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No : 001076N/N500013



Mehulkumar Sharadkumar Janani

Partner

Membership No. 118617

Place: Ahmedabad

Date: 23 September 2024



For and on behalf of the Board of Directors

Varmora Granito Private Limited



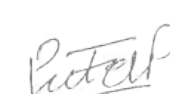
Bhavesh Varmora

Director

DIN: 02718600

Place: Ahmedabad

Date: 23 September 2024



Pramodkumar Patel

Director

DIN: 01935197

Place: Ahmedabad



Nilesh Sharma - ACS

Company Secretary

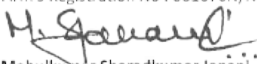
M.No. 32273

Place: Ahmedabad

Varmora Granito Private Limited
Standalone Statement of profit and loss for the year ended 31 March 2024
(Amount in ₹ in Lakhs, unless otherwise stated)

Particulars	Notes	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
INCOME			
Revenue from operations	35	128,399.70	121,397.30
Other income	36	3,873.18	6,483.77
Total Income		132,272.88	127,881.07
EXPENSES			
Cost of materials consumed	37	22,636.17	24,600.09
Purchases of stock-in-trade	38	47,735.76	39,161.79
Change in inventories of finished goods, work in progress and stock in trade	39	(794.95)	(3,922.54)
Employee benefits expenses	40	9,051.69	8,403.24
Finance costs	41	1,936.89	3,405.47
Depreciation and amortisation expense	42	4,275.46	3,548.18
Other expenses	43	41,651.71	45,548.27
Total Expense		126,492.72	120,744.50
Profit before tax		5,780.16	7,136.57
Tax expense			
Current tax	20	1,586.48	2,467.61
Deferred tax	20	(5.19)	(3.90)
Earlier year tax adjustments	20	(36.38)	11.25
Total Tax Expense		1,544.91	2,474.96
Profit for the year		4,235.25	4,661.61
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on defined benefit plans		28.81	175.55
(ii) Income tax relating to items that will not be reclassified to profit or loss		(7.25)	(45.60)
Other comprehensive income for the year, net of tax		21.56	129.95
Total comprehensive income for the year		4,256.81	4,791.56
Earnings per Equity Share			
Basic Earning per Equity Share	44	5.25	6.40
Diluted Earning per Equity Share	44	5.24	6.40

See accompanying notes to the financial statements
The accompanying notes are an integral part of these standalone financial statements

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

Mehu Kumar Sharadkumar Janani
Partner
Membership No. 118617

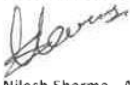
Place: Ahmedabad
Date: 23 September 2024



For and on behalf of the Board of Directors
Varmora Granito Private Limited


Bhavesh Varmora
Director
DIN: 02718600
Place: Ahmedabad


Pramodkumar Patel
Director
DIN: 01935197
Place: Ahmedabad


Nilesh Sharma - ACS
Company Secretary
M.No. 32273

Place: Ahmedabad
Date: 23 September 2024

Varmora Granito Private Limited
Standalone Statement on Changes in Equity for the year ended 31 March 2024
(Amount in ₹ in Lakhs, unless otherwise stated)

(A) Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and fully paid up				
Balance at the beginning of the current reporting period	13,321,874	1,332.19	9,986,669	998.67
Add: Share split during the year	13,321,874	-	-	-
Add: Bonus share issued during the year	53,287,496	2,664.37	-	-
Add: Issued during the year	-	-	757,598	75.76
Add: CCPS converted in to Equity Shares	-	-	2,577,607	257.76
Balance at the end of the current reporting period	79,931,244	3,996.56	13,321,874	1,332.19

(B) Instruments entirely equity in nature*

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the current reporting period	17,575,866	1,757.59	-	-
Add: Issued during the year	-	-	351,517,320	35,151.73
Less: Converted in to Equity Shares	-	-	(333,941,454)	(33,394.15)
Balance at the end of the current reporting period	17,575,866	1,757.59	17,575,866	1,757.59

*This is equity component of compulsory convertible preference shares (CCPS) and refer note 21(b) for terms and conditions of CCPS.

(C) Other equity

Particulars	Attributable to the owners of Varmora						Total
	Share based payment reserve	State capital subsidy	Securities Premium	Capital redemption reserve account	Retained earnings	Capital contribution from group	
Balance as at 1 April 2022	-	10.00	2,485.06	-	15,352.88	1,661.80	19,509.74
Add: Profit for the year	-	-	-	-	4,661.61	-	4,661.61
Add: Other comprehensive income for the year	-	-	-	-	129.95	-	129.95
Add: Addition during the year (Adjustment on account of common	-	(10.00)	-	-	-	-	(10.00)
Less: Transfer to capital redemption reserve	-	-	-	657.42	(657.42)	-	-
Less: Redemption/modification of redeemable preference share/non-cumulative redeemable preference shares	-	-	-	-	-	(1,457.65)	(1,457.65)
Add: Issue of shares	-	-	39,033.19	-	-	-	39,033.19
Less: Income tax paid for buyback of shares by subsidiaries	-	-	-	-	(383.46)	-	(383.46)
Total	-	(10.00)	39,033.19	657.42	3,750.67	(1,457.65)	41,973.64
Balance as at 31 March 2023	-	-	41,518.25	657.42	19,103.55	204.15	61,483.37



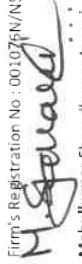
Varmora Granito Private Limited
Standalone Statement on Changes in Equity for the year ended 31 March 2024
(Amount in ₹ in Lakhs, unless otherwise stated)

Particulars	Attributable to the owners of Varmora						Total
	Share based payment reserve	State capital subsidy	Securities Premium	Capital redemption reserve account	Retained earnings	Capital contribution from group	
Balance as at 31 March 2023	-	-	41,518.25	657.42	19,103.55	204.15	61,483.37
Add: Profit for the year	-	-	-	-	4,235.25	-	4,235.25
Add: Other comprehensive income for the year	-	-	-	-	21.56	-	21.56
Add: Addition during the year	315.77	-	-	-	-	-	315.77
Less: Issue of bonus shares	-	-	(2,664.37)	-	-	-	(2,664.37)
Total	315.77	-	(2,664.37)	-	4,256.81	-	1,908.21
Balance as at 31 March 2024	315.77	-	38,853.88	657.42	23,360.36	204.15	63,391.58

* Refer note number 55 for Buyback/acquisition of remaining interest in subsidiaries

* Refer Note number 55 for common control business combination

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

As per our report of even date
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No : 001075/N/NS00013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617

For and on behalf of the Board of Directors
Varmora Granito Private Limited


Bhavesh Varmora
Director
DIN: 02718600
Place: Ahmedabad


Pramodkumar Patel
Director
DIN: 01935197
Place: Ahmedabad



Place: Ahmedabad
Date: 23 September 2024


Nilesh Sharma - ACS
Company Secretary
M.No. 32273

Place: Ahmedabad
Date: 23 September 2024

Varmora Granito Private Limited
Standalone Cash Flow Statement for the year ended 31 March 2024
(Amount in ₹ in Lakhs, unless otherwise stated)

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Cash flow from Operating activities		
Profit before tax	5,780.16	7,136.57
Adjustments for :		
Depreciation	4,275.46	3,548.18
Bad debt written off and Expected credit loss	1,869.81	1,171.90
Interest impact on security deposit	(4.26)	(7.47)
Interest Income on fixed deposits	(1,246.39)	(767.92)
Government grant Income	(1,525.26)	(654.87)
ESOP expense	315.77	-
Interest expense on borrowing at amortised cost	1,734.18	1,402.20
Other finance cost	84.90	124.00
Interest and finance charges on lease liabilities	117.81	38.83
Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	19.51
Change in fair value of investments classified at fair value through profit or loss	(5.73)	(2.92)
Profit on sale of assets	(13.86)	(25.89)
Loss on fair value of call option	45.00	1,062.00
Loss on fair value of differential voting right (DVR shares)	35.53	317.10
Sundry balances written off	(29.34)	14.25
Interest Income on Inter Corporate Loans	(431.49)	(277.65)
Operating profit before working capital changes	11,002.29	13,097.82
Change in operating assets and liabilities		
(Increase) / decrease in Inventories	(664.82)	(3,609.82)
(Increase) / decrease in trade receivables	476.57	(9,615.96)
(Increase) / decrease in other current assets and non-current assets	(718.48)	86.99
Increase / (decrease) in trade payables	(2,382.15)	2,639.54
Increase / (decrease) in other current financial liabilities	1,464.47	(161.28)
Increase / (decrease) in contract liabilities	124.53	(288.93)
Increase / (decrease) in other current liabilities and non-current liabilities	(763.21)	(60.59)
Increase / (decrease) in other financial assets	(137.16)	(221.54)
Increase / (decrease) in provisions	92.00	130.69
Cash flow from operations after changes in working capital	8,494.04	1,996.92
Income tax paid	(1,856.28)	(2,483.27)
Net Cash Flows from Operating Activities (A)	6,637.76	(486.35)
Cash flows from Investing activities		
Purchase of property, plant and equipment and capital work in progress	(34,230.83)	(1,788.91)
Proceeds from sale of property, plant and equipment	214.27	610.64
Purchase of intangible asset	(64.87)	(12.61)
Proceeds from disposal of intangible asset	-	2.90
Payments for purchase of investments	(1,459.51)	(5,319.35)
Payments for purchase of call option in subsidiary company	-	(1,478.00)
Investment in fixed deposit	(19.82)	(39.40)
Net proceeds / (payments) in inter corporate loans	(102.66)	(1,624.42)
Payments towards acquisition of remaining interest in subsidiary	-	(1,939.37)
Interest received	1,832.17	888.64
Net Cash Flow used in Investing Activities (B)	(33,831.25)	(10,699.88)
Cash Flow from Financing Activities		
Proceeds from issue of equity share capital	-	4,272.85
Principal payment of lease liability	(280.61)	(145.00)
Proceeds From Borrowings	21,076.35	4,030.15
Repayment of borrowings	(5,122.00)	(7,029.55)
Capital subsidy	-	(10.00)
Finance cost paid	(1,834.91)	(1,565.03)
Payments towards buyback of shares	-	(2,450.02)
Redemption of Non-cumulative redeemable preference Shares (NCRPS) / redeemable preference Shares (RPS) (Refer note 23)	-	(1,220.50)
Taxes paid on buyback of shares	-	(383.52)
Proceeds from DVR Shares	-	123.00
Proceeds from issue CCPS	-	35,151.73
Net Cash Flows from/(used in) Financing Activities (C)	13,838.83	30,774.11
Net increase in cash and cash equivalents (A+B+C)	(13,354.65)	19,587.88
Cash and cash equivalents at the beginning of the year	22,468.41	2,880.53
Cash and cash equivalents at the end of the year	9,113.76	22,468.41



Varmora Granito Private Limited
Standalone Cash Flow Statement for the year ended 31 March 2024
(Amount in ₹ in Lakhs, unless otherwise stated)

Cash and cash equivalents comprise

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Balances with banks:		
-in current account	168.85	1,076.36
-in cash credit account	63.25	1,039.07
-in EFFC account	-	10.73
Fixed deposits with original maturity of less than 3 months	8,841.44	20,292.93
Cash on hand	40.22	49.32
Total cash and cash equivalents at end of the year	9,113.76	22,468.41

Changes in liability arising from financing activities

Particulars	Borrowings	Lease liabilities	Non convertible Redeemable Preference Shares (NCRPS)	Total
Balance as on 1 April 2022 (Note 1)	19,016.46	284.37	921.14	20,221.97
Cash flows, net	(2,999.40)	(145.00)	-	(3,144.40)
Non-cash adjustments including interest	(17.07)	772.67	(921.14)	(165.54)
Balance as on 31 March 2023	15,999.99	912.04	-	16,912.03
Cash flows, net	15,954.35	(280.61)	-	15,673.74
Non-cash adjustments including interest	(15.83)	883.64	-	867.81
Balance as on 31 March 2024	31,938.51	1,515.07	-	33,453.57

Note 1: Excluding liability towards purchase of remaining interest in subsidiary.

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

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

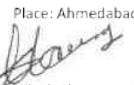

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617

Place: Ahmedabad
Date: 23 September 2024

For and on behalf of the Board of Directors
Varmora Granito Private Limited


Bhavesh Varmora
Director
DIN : 02718600
Place: Ahmedabad


Pramodkumar Patel
Director
DIN : 01935197
Place: Ahmedabad


Nilesh Sharma - ACS
Company Secretary
M.No. 32273

Place: Ahmedabad
Date: 23 September 2024



Varmora Granito Private Limited

Notes to the Standalone Material accounting policies and other explanatory information

(Amount in ₹ in Lakhs, unless otherwise stated)

1 General Information

Varmora Granito Private Limited (the 'Company') is a domestic private 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.

2 Material accounting policies

Material accounting policies adopted by the Company are as under:

2.01 Basis of Preparation of Financial Statements

(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') as amended from time to time, other relevant provisions of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2024, and material accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These are the Company's first Ind AS Financial Statements. The date of transition to Ind AS is April 1, 2022. The mandatory exceptions and optional exemptions availed by the Company on first time adoption have been detailed in Note 5.

Previous period figures in the Financial Statements have been restated in compliance with Ind AS.

The financial statements have been prepared using the material accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The financial statements of the Company up to the year 31 March, 2023 had been prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013 read together with the Companies (Accounting Standards) Rules, 2021 and presentation requirements of Division I of Schedule III to the Companies Act, 2013.

As fully described in Note 55, during the year ended 31 March 2024 erstwhile wholly owned subsidiaries Solaris Ceramics Private Limited, Varmora Ceramics Private Limited, Nextile Marbosys Private Limited, Tocco Ceramics Private Limited and Confi Sanitaryware Private Limited has merged with the Company based on the Scheme sanctioned by Regional Director, Ministry of Corporate Affairs vide order dated 12 October 2023. Based on the requirements of Appendix C to the Ind AS 103 in relation to common control transaction, the financial information in the financial statements in respect of the prior period have been restated as if the merger had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of the merger (effective date being 1 April 2023). As the adoption of Ind AS is carried out in accordance with Ind AS 101 on 1 April 2022 being the transition date, the financial statements for the year ended 31 March 2023 and as at 1 April 2022 is restated as if the merger had occurred from beginning of the preceding period as per Ind AS 103.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 5 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

In accordance with Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2023, and April 1, 2022 and of the Net Profit as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2023. (Refer note no. 5)

(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:

- 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.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April, 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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 and other building	30 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'.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April, 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

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	10 years	Diminishing balance
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.

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 at the fair value of the consideration received/ receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is net of rebates and discounts. 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.

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 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.

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.

(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.

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 recognised 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.

(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 plans

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 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is principally engaged in a single business segment - treatment and disposal of hazardous waste, which is governed by similar risk and return.

2.18 Investments in associates and joint ventures

Investments in 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 Associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.19 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 is rendered, 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.

2.20 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.

2.21 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.



3 Use of estimates and judgments

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 policies, 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.

(e) Revenue from Contracts with Customers

The Company has applied judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers.

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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company. The company adopted Disclosure of Accounting (amendment to Ind AS 1) from 1 April 2023. Although the amendment did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the standalone financial statement. The amendment requires the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the standalone financial statement.

Standards issued but not yet effective

Companies are required to explain if there are any accounting standards which are issued but not yet effective and are expected to have a material impact on the company. MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024.



5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2024, together with the comparative year data as at and for the year ended 31 March 2023, as described in the Material accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2022, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in conversion of its Indian GAAP financial statements, including the balance sheet as at 1 April 2022 and the financial statements as at and for the year ended 31 March 2023.

5.1 Reconciliations between previous GAAP and Ind AS :

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

(a) Reconciliation of Equity as at 1 April 2022 and as at 31 March 2023

(b) Reconciliation of total comprehensive income for the year ended 31 March 2023

The presentation requirements under previous GAAP differs from Ind AS, and hence, previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP/ Indian GAAP information is derived from the Financial Statements of the Company prepared in accordance with previous GAAP.

(a) Reconciliation of total equity as at 31 March 2023 and 1 April 2022

Particulars	Notes	As at 31 March 2023	As at 1 April 2022
Equity Share Capital		3,092.77	2,698.67
Reserves and Surplus		57,452.83	15,489.94
Total equity as per Indian GAAP standalone financial statements		60,545.60	18,188.61
Adjustment reflected in Indian GAAP consolidated financial statements (refer to Note 55 & 56)			
Capital Redemption Reserve		657.42	-
Capital reserve		865.74	181.96
Preference Shares issued by Subsidiary		-	1,314.71
Retained Earnings		9,595.75	8,657.88
Total		71,664.51	28,343.16
Rectification of IGAAP error			
State capital subsidy	(d)(i)	-	10.00
Interest in subsidiary company	(d)(ii)	-	(61.89)
Government grant	(d)(iii)	401.70	(71.83)
Total		72,066.21	28,219.44
Ind AS conversion adjustments			
Adjustment under Ind AS 103 Business Combination under common control (refer to Note 55 & 56)			
Additional payment made to acquire remaining interest in the subsidiary		-	(12.94)
Excess of investments made against the assets acquired of remaining interest in subsidiary		(3,005.19)	(4,389.39)
Reversal of capital reserve		(865.74)	(181.96)
Impact due to fair valuation of investments	(c)(i)	20.24	324.85
Impact due to Non convertible Redeemable Preference Shares (NCRPS) / Redeemable Preference Shares(RPS) as per IND AS 109	(c)(viii)	-	(921.14)
Impact due to ECL provisioning	(c)(ii)	(3,008.44)	(3,072.53)
Impact due to fair valuation of security deposit paid	(c)(iv)	(0.57)	(0.27)
Impact of ROU and lease liability adjustment as per IND AS 116	(c)(vii)	(21.64)	0.61
Fair value of call option on Non-controlling Interest	(c)(x)	(1,062.00)	-
Impact due to EIR on borrowings	(c)(v)	7.13	37.14
Impact due to Fair value of DVR	(c)(xi)	(440.10)	-
Impact due to Fair value of loan to employee	(c)(ix)	2.94	1.43
Impact due to deferred tax on Ind AS adjustments	(c)(vi)	880.31	503.17
Total Adjustment		(7,493.06)	(7,711.03)
Shareholder's equity as per Ind AS		64,573.15	20,508.41

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(b) Reconciliation of total comprehensive income for the year ended 31 March, 2023

Particulars	Notes	For the Year Ended 31 March 2023
Profit after tax as per Indian GAAP standalone financial statements		2,809.47
<u>Adjustment reflected in Indian GAAP consolidated financial statements (refer to Note - 55 & 56)</u>		
Profit after tax of subsidiaries		3,315.35
Total		6,124.82
Rectification of IGAAP error		
Government grant	(d)(iii)	473.53
Total		6,598.35
<u>Adjustment</u>		
Impact due to fair valuation of investments	(c)(i)	(304.61)
Impact due to Non convertible Redeemable Preference Shares (NCRPS) / Redeemable Preference Shares(RPS) as per IND AS 109	(c)(viii)	(19.51)
Impact due to ECL provisioning	(c)(ii)	64.09
Impact due to fair valuation of security deposit paid	(c)(iv)	(0.30)
Impact due to EIR on borrowings	(c)(v)	(30.01)
Impact due to Fair value of DVR	(c)(xi)	(317.10)
Remeasurement of defined benefit obligation	(c)(iii)	(175.54)
Fair value of call option on Non-controlling Interest	(c)(x)	(1,062.00)
Impact due to Fair value of loan to employee	(c)(ix)	1.53
Impact of ROU and lease liability adjustment as per IND AS 116	(c)(vii)	(22.25)
Impact due to deferred tax on Ind AS adjustments	(c)(vi)	(71.04)
Total		(1,936.74)
Remeasurement of defined benefit obligation (net off tax)	(c)(iii)	129.95
Profit / (Loss) as per Ind AS		4,791.56

(c) Notes to first-time adoption

(i) Fair valuation of investments in Mutual Funds

Under Indian GAAP, the Company has recognised investments at cost. Under Ind AS, such investments are measured at FVTPL. On the transition date, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in retained earnings. Any fair value movement in fair value is recognised subsequently in FVTPL.

(ii) Impairment of trade receivables

The Company's trade receivables are unsecured and considered good. Under IGAAP, all trade receivables were generally recorded at their carrying cost except for certain receivables and actual bad debts when incurred, were charged to statement of profit and loss, however, under Ind AS, the Company has used expected credit loss model and accordingly, made provision for allowance for expected credit loss as per Ind AS 109 based on provision matrix under simplified approach.

(iii) Defined benefit liabilities

Under Ind AS, remeasurements on defined benefit plans i.e. actuarial gains and losses are recognised in other comprehensive income instead of profit and loss. Under the IGAAP, these remeasurements were forming part of the profit and loss for the year.

(iv) Security deposit

Under IGAAP, interest free security deposits given (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as ROU Asset / Prepaid expense based on the nature of deposit. Subsequently ROU asset is amortised over the lease term and Interest Income is recognised over the period of time.

(v) Borrowings

Under the previous GAAP, borrowings from banks and financial institutions were carried at their principal outstanding amount as at each reporting date with the interest accrued portion separately classified under other liabilities. Processing fees paid for such borrowings was expensed to the profit and loss statement. Under Ind AS such borrowings are required to be carried at their respective amortised cost using the effective interest rate method.

(vi) Deferred Tax

Under Ind AS, deferred tax has been recognised on the adjustment made on transition to Ind AS. Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

(vii) Impact of application of lease accounting under Ind AS 116

Under Previous GAAP, lessees used to classify a lease contract as a finance lease or an operating lease at the inception of contract. Under operating lease, rent payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease-term. Under Ind AS, the Company measures the lease liability at the present value of the future lease payments as at transition date, discounted using the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expense. Further, the Company recognises a right-of-use asset which is made up of the initial measurement of the lease liability. Subsequent to initial measurement, the Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company has followed modified approach to recognize right- of- use asset equal to lease liability as on the transition date.



(viii) Non convertible redeemable preference shares (NCRPS)/ redeemable preference shares (RPS)

Under the previous GAAP, NCRPS/ RPS was classified under share capital. However, the Company has a contractual obligation to deliver cash in the form of dividend during the tenure of the instrument and repay principal at the end of the tenure. Thus, the Company does not have an unconditional right to avoid delivering cash to the instrument holder. NCRPS issued by the Company shall be classified as a financial liability and carried at amortised cost. Since the preference shares has been issued to the related party the difference between the fair value and transaction amount has been transferred to capital contribution from the related parties. Subsequently the liability shall be measured at amortised cost using the effective interest rate method. Consequently, interest expense shall be accrued and shall be transferred to the Statement of Profit and Loss.

(ix) Loan to employee

Under Previous GAAP, all loans were carried at transaction amount. Under Ind AS, these loans are initially recognized at fair value. Fair value for the loans would be the transaction amount discounted using a market rate of interest for loans. The Difference between carrying amount and fair value has been parked to prepaid staff cost. Interest accrued on carrying value of such loan using effective interest method is recognized as expense.

(x) Fair value of call option on Non-controlling Interest

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.

(xi) Fair value of DVR shares

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. Changes in the fair value are recognised in the statements of profit and loss.

(d) IGAAP Error

- (i) Under Previous GAAP, state capital subsidy was presented as part of capital grant incorrectly which has been rectified and restated to present in the retained earning as part of revenue subsidy.
- (ii) Non Controlling Interest as proportionate share of erstwhile entity Solaris Ceramics Private Limited (Merged with VGPL w.e.f 1 April 2023) net assets as on 01 April 2022 was not correct to the extent of INR 61.89 lakhs, which has been rectified and opening IGAAP Non-Controlling Interest has been restated.
- (iii) In accordance with Ind AS 20 "Government Grants", duty saved on import of capital goods and spares under the EPCG scheme has been treated as a Government grant. The benefit has been grossed up with the cost of the related asset and has been recognised as a deferred income. Such deferred income is released to the statement of profit and loss based on fulfilment of related export obligations. Under previous GAAP Such grant was netted off against the Property plant and equipment and such error is rectified.

5.2 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Property, plant and equipment and intangible assets - Previous GAAP carrying value as deemed cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets. Since there is no change in the functional currency, accordingly, as permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

(b) Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 109 requires fair value measurement, retrospectively, however an entity may apply the requirements of Ind AS 109 prospectively to transactions entered into on or after the date of transition. Accordingly, the Company has opted this exemption.

(c) Business combination

The company has elected to apply exemption provided by Ind AS 101 with respect to business combination. i.e the company has elected not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs).

5.3 Mandatory exceptions on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April, 2022 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Determination of the discounted value for financial assets and financial liability where applicable carried at amortised cost.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

The above measurement exemption applies for financial liabilities as well.



6 Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and machinery	Computer & Servers	Vehicles	Office equipment	Furniture and fixture	Electrical installations	Total
DEEMED COST									
As at 1 April 2022 (Refer note c)	1,037.47	2,182.79	17,087.90	20.64	491.63	59.61	460.81	75.66	21,416.52
Additions	31.03	4.06	1,337.20	27.85	109.90	42.18	146.08	0.49	1,698.79
Disposals	(162.21)	(68.18)	(39.35)	(1.41)	(304.94)	(3.48)	(4.78)	(0.39)	(584.75)
As at 31 March 2023	906.28	2,118.67	18,385.75	47.08	296.60	98.30	602.11	75.76	22,530.57
Additions	544.59	7,349.49	32,371.07	43.16	196.13	125.28	1,635.37	-	42,265.09
Disposals	-	-	(198.51)	(0.13)	(1.77)	-	-	-	(200.41)
As at 31 March 2024	1,450.88	9,468.16	50,558.32	90.10	490.96	223.58	2,237.49	75.76	64,595.25
ACCUMULATED DEPRECIATION									
As at 1 April 2022	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	197.68	2,911.31	15.79	69.65	30.95	137.40	16.67	3,379.45
As at 31 March 2023	-	197.68	2,911.31	15.79	69.65	30.95	137.40	16.67	3,379.45
Depreciation for the year	-	237.52	3,429.60	26.64	118.70	61.21	158.88	1.05	4,033.60
Deductions/Adjustments during the period	-	-	-	-	-	-	-	-	-
As at 31 March 2024	-	435.20	6,340.91	42.43	188.35	92.16	296.29	17.71	7,413.05
Net Carrying value as at 31 March 2024	1,450.88	9,032.96	44,217.41	47.67	302.61	131.42	1,941.20	58.05	57,182.19
Net Carrying value as at 31 March 2023	906.28	1,920.99	15,474.45	31.29	226.95	67.35	464.71	59.09	19,151.11
Net Carrying value as at 1 April 2022	1,037.47	2,182.79	17,087.90	20.64	491.63	59.61	460.81	75.66	21,416.52

Notes:

a. Deemed carrying cost - Refer note C

The Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements, as its deemed cost as at the date of transition under Ind AS 101 'First-time adoption of Indian Accounting Standards', i.e. 1 April 2022.

Particulars	Freehold land	Building	Plant and machinery	Computer & Servers	Vehicles	Office equipment	Furniture and fixture	Electrical installations	Total
Gross block as on 1 April 2022	1,037.47	4,316.41	34,298.83	121.47	1,349.11	186.22	973.73	446.71	42,729.94
Accumulated depreciation till 1 April 2022	-	2,097.30	18,211.14	100.83	857.47	126.61	512.91	371.04	22,277.32
Deemed carrying cost	1,037.47	2,219.11	16,087.69	20.64	491.63	59.61	460.81	75.66	20,452.62

(a) The deemed cost for plant and machinery and building was adjusted for consequential adjustment of Rs. 1.65 Lakhs and 36.32 lakhs respectively in relation to borrowings cost.

(b) The carrying value of buildings recognised in its Indian GAAP financial statements was adjusted for rectification of an IGAAP error of Rs. 1,001.86 Lakhs (net) in relation to duty saved on import of capital goods and spares under the EPCG scheme.

b. 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 23 and 28 pertaining to borrowings.

c. Acquisition through business combination under common control

Property, plant and equipment also includes Property, plant and equipment acquired through business combination under common control. (Refer Note 55 for further details).



7 Capital Work in Progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	277.91	428.86
Add : Net additions during the year	34,275.48	163.38
Less : Transfer during the year to property plant and equipments	(34,315.62)	(314.31)
	237.77	277.91

Capital work-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 2024	237.77	-	-	-	237.77
As at 31 March 2023	163.36	114.55	-	-	277.91
As at 1 April 2022	428.86	-	-	-	428.86
Projects temporarily suspended					
As at 31 March 2024	-	-	-	-	-
As at 31 March 2023	-	-	-	-	-
As at 1 April 2022	-	-	-	-	-

Note:

- There are no such project for assets under development whose completion is overdue or has exceeded its cost compared to its original plan.
- Capital work in progress includes Capital work in progress acquired through business combination under common control. (Refer Note 55 for further details)

8 Right of use of assets

Particulars	Land	Office Premises	Total*
Gross carrying value			
As at 1 April 2022 (Refer note a)	35.18	255.09	290.27
Additions	-	760.85	760.85
As at 31 March 2023	35.18	1,015.94	1,051.12
Additions	816.41	1.87	818.28
Disposals/Adjustments	-	(1.72)	(1.72)
As at 31 March 2024	851.59	1,016.10	1,867.68
Accumulated Depreciation			
As at 1 April 2022	-	-	-
Depreciation for the year	1.38	141.94	143.32
As at 31 March 2023	1.38	141.94	143.32
Depreciation for the year	17.71	211.81	229.53
As at 31 March 2024	19.10	353.76	372.85
Carrying amount (net)			
As at 31 March 2024	832.49	662.34	1,494.83
As at 31 March 2023	33.80	874.00	907.80
As at 1 April 2022	35.18	255.09	290.27

*Refer note 48 for disclosure relating to leases

a Acquisition through business combination under common control

Right of use assets includes Right of use of assets acquired through business combination under common control. (Refer Note 55 for further details).



9 Other Intangible Assets

Particulars	Trade Mark	Design	ERP Software	Total
DEEMED COST				
As at 1 April 2022 (Refer note b)	2.90	31.00	5.46	39.37
Additions	-	12.61	-	12.61
Disposals/Adjustments	(2.90)	-	-	(2.90)
As at 31 March 2023	-	43.61	5.46	49.07
Additions	-	64.88	-	64.88
Disposals/Adjustments	-	-	-	-
As at 31 March 2024	-	108.49	5.46	113.95
ACCUMULATED DEPRECIATION				
As at 1 April 2022	-	-	-	-
Amortisation for the year	-	23.87	1.54	25.40
As at 31 March 2023	-	23.87	1.54	25.40
Amortisation for the year	-	11.33	1.01	12.34
As at 31 March 2024	-	35.20	2.55	37.75
Carrying amount (net)				
As at 31 March 2024	-	73.29	2.92	76.20
As at 31 March 2023	-	19.74	3.93	23.67
As at 1 April 2022	2.90	31.00	5.46	39.37

Notes:

a Deemed carrying cost - Refer note b

The Company has elected to continue with carrying value of intangible assets as recognized in its Indian GAAP financial statements, as its deemed cost as at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1 April 2022.

Particulars	Trade Mark	Design	ERP Software	Total
Gross block as on 1 April 2022	2.90	113.47	43.88	160.25
Accumulated depreciation till 1 April 2022	-	82.46	38.42	120.88
Deemed carrying cost	2.90	31.00	5.46	39.37

b Acquisition through business combination under common control

Intangible assets also includes intangible assets acquired through business combination under common control. (Refer Note 55 for further details).



10 Investments

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
NON CURRENT INVESTMENTS			
Investment in equity instruments			
Unquoted investments			
Investment in Subsidiaries, measured at cost			
Investment in Company			
Covertex Ceramica Private Limited	2,202.01	742.50	375.00
-99,00,000 Equity Shares ₹10 each fully paid-up (31 March 2023: 74,25,000 Equity shares, 1 April 2022: 37,50,000 Equity shares)			
Investment in Partnership Firms			
Simola Tiles LLP - 59.00% Share (31 March 2023: 59.00% Share, 1 April 2022: Nil % share)	5,071.00	5,071.00	-
Varmora Sanitarywares LLP - 99.99% Share (31 March 2023: 99.99% Share, 1 April 2022: Nil % share)	438.65	438.65	-
Investment in Associates Companies, measured at cost			
Fiorenza Granito Private Limited	467.88	467.88	467.88
- 48,00,000 Equity Shares ₹10 each fully paid-up (31 March 2023: 48,00,000 Equity shares, 1 April 2022: 48,00,000 Equity shares)			
Sentosa Granito Private Limited	582.95	582.95	582.95
- 28,50,000 Equity Shares of ₹10 each fully paid-up (31 March 2023: 28,50,000 Equity shares, 1 April 2022: 28,50,000 Equity shares)			
Investment in Joint venture entities, measured at cost			
Avalta Granito Private Limited	500.00	500.00	500.00
- 50,00,000 Equity Shares of ₹10 each fully paid-up (31 March 2023: 50,00,000 Equity shares, 1 April 2022: 50,00,000 Equity shares)			
Renite Vittrified LLP 30% share (31 March 2023: 30.00% Share, 1 April 2022: Nil)	765.25	765.25	-
Investments measured at FVTPL			
Sicer Inkera Private Limited	-	-	955.55
- Nil Equity Shares of ₹10 each fully paid-up (31 March 2023: Nil Equity shares, 1 April 2022: 3,80,700 Equity shares)			
Investment in Non Cumulative Redeemable Preference Shares (NCRPS), unquoted, measured at amortised cost			
Covertex Ceramica Private Limited	-	-	367.50
- Nil 0.01% Redeemable Preference Shares (RPS) of Rs. 10 Each Fully Paid-up (31 March 2023: Nil- 0.01% RPS, 1 April 2022: 36,75,000 - 0.01% RPS)			
Other Non Current Investments, quoted, measured at FVTPL			
Investment in mutual fund	70.97	65.24	62.32
Total	10,098.71	8,633.47	3,311.20
Aggregate amount of quoted investments	70.97	65.24	62.32
Market Value of quoted investments	70.97	65.24	62.32
Aggregate amount of unquoted investments	10,027.74	8,568.23	3,248.88
Aggregate amount of impairment in value of investments	-	-	-

11 Loan (Non Current Financial Asset)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Loan to related parties*	-	-	130.80
Total	-	-	130.80

*Loan was given at rate of interest of 9% p.a.

Particulars	As at 1 April 2022	
	Amount outstanding	Percentage to the total loans and advances in the nature of loans
Loan to related parties, unsecured	130.80	100%
Total	130.80	100%



12 Other Financial Asset (Non Current)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Fixed deposits with maturity for more than 12 months*	393.52	214.07	196.50
Security Deposits	89.97	205.72	104.92
Total	483.49	419.79	301.42

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

13 Other Non Current Assets

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Capital advance	280.02	230.71	126.43
Balances with government authorities	80.00	80.00	80.00
Prepaid expenses	-	1.14	-
Others	0.33	0.33	0.33
Total	360.35	312.18	206.76

14 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Raw materials and components			
Raw material	1,236.35	1,284.94	1,571.94
Packing Material	145.61	199.29	278.04
Stores & Spares	295.27	323.12	270.09
Work-in-progress	580.68	520.87	292.09
Finished goods			
Finished goods	7,937.53	8,941.82	7,376.60
Finished goods in transit	-	126.22	47.82
Stock - in - trade	4,404.87	2,539.23	489.09
Total	14,600.31	13,935.49	10,325.67

Refer Note 2.10 for basis of valuation of inventories.

15 Trade Receivables

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Trade receivables considered good - Unsecured	33,752.64	34,850.43	26,415.78
Trade receivables which have significant increase in credit risk	2,104.57	1,565.67	404.20
Less : Allowance for expected credit loss	(6,361.47)	(4,573.98)	(3,421.92)
Total	29,495.74	31,842.12	23,398.06
Further classified as:			
Receivable from related parties	22.85	130.64	-
Receivable from others	35,834.36	36,285.46	26,819.98
Less : Allowance for expected credit loss	(6,361.47)	(4,573.98)	(3,421.92)
Total	29,495.74	31,842.12	23,398.06

Trade receivable ageing schedule

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	19,694.13	11,252.57	1,568.96	1,215.78	-	-	33,731.44
(ii) Undisputed trade Receivables - which have significant increase in credit risk	-	-	-	735.19	353.09	668.15	1,756.43
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	21.20	-	-	21.20
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	14.13	54.16	279.85	348.14
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	19,694.13	11,252.57	1,568.96	1,986.30	407.25	948.00	35,857.21



As at 31 March 2023	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 -	22,183.09	10,390.87	1,822.86	311.59	39.70	4.84	34,752.96
(ii) Undisputed trade Receivables - which have significant increase in credit risk	-	-	0.13	332.20	502.37	377.03	1,211.73
(iii) Undisputed Trade Receivables - credit	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables -	14.40	29.13	58.12	60.33	2.88	9.13	173.98
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	11.92	8.91	256.60	277.44
(vi) Disputed Trade Receivables - credit	-	-	-	-	-	-	-
Total	22,197.49	10,420.00	1,881.11	716.04	553.86	647.60	36,416.10

As at 1 April 2022	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 -	16,169.11	8,009.30	854.75	775.83	249.71	197.38	26,256.08
(ii) Undisputed trade Receivables - which have significant increase in credit risk	-	0.25	10.76	30.00	53.75	48.00	142.76
(iii) Undisputed Trade Receivables - credit	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables -	10.78	29.18	16.15	31.71	21.12	50.78	159.72
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	1.50	0.50	42.67	216.76	261.43
(vi) Disputed Trade Receivables - credit	-	-	-	-	-	-	-
Total	16,179.89	8,038.73	883.16	838.04	367.25	512.92	26,819.98

16 Cash and Cash Equivalents

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Balances with banks:			
-in current account	168.85	1,076.36	63.83
-in cash credit account	63.25	1,039.07	2,681.01
-in EFFC account	-	10.73	13.85
Fixed deposits with original maturity of less than 3 months	8,841.44	20,292.93	-
Cash on hand	40.22	49.32	121.84
Total	9,113.76	22,468.41	2,880.53

17 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
In fixed deposits (earmarked towards margin money for guarantees and other commitments)	359.64	519.27	497.44
Total	359.64	519.27	497.44

18 Other Financial Assets (Current)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Loan to employees	184.17	116.03	66.33
Derivative financial asset (Refer note below)	371.00	416.00	-
Interest accrued but not due on deposits	43.77	193.80	29.40
Security deposit	170.88	31.81	44.74
Inter corporate loans* (considered good, Unsecured)	4,889.69	4,787.03	3,031.81
Other receivables	25.67	4.30	0.14
Export benefits receivable	186.55	162.22	82.41
Total	5,871.73	5,711.19	3,254.83

*Inter corporate Loans to related party and other companies are repayable on demand and carry interest of 9% p.a..



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 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.

19 Other Current Assets

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Prepaid expenses	291.35	107.05	275.06
Balance with government authorities	1,435.35	866.88	492.67
Advances to vendors	493.56	555.10	891.90
Electricity credit receivable	-	13.29	-
Advance to employees	22.46	9.75	13.31
Pre-Spent CSR	61.71	32.74	-
Total	2,304.43	1,584.81	1,672.94

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20 Deferred Tax Asset/(Liability)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
(A) Deferred tax relates to the following:			
Deferred tax assets			
Provision for employee benefit	5.30	2.29	-
Provision for expected credit loss	1,594.26	1,162.70	868.18
Lease liability as per Ind AS 116	383.63	233.42	71.84
Fair value of security deposits	3.83	4.58	1.40
Expenses allowed under tax on payment basis- Employee Benefit Expenses	12.05	16.23	11.70
Financial Liability measured at FVTPL-DVR	88.76	79.81	-
Fair value of government grant	(2.03)	141.86	312.92
Business Loss as per Income Tax Act	-	-	0.63
Impact of difference between tax depreciation and depreciation	2.62	-	-
Provision for Gratuity	82.02	55.00	54.27
Financial Liability at amortised cost	7.92	-	-
Total Deferred Tax Assets	2,178.35	1,695.89	1,320.94
Deferred tax liabilities			
Impact of difference between tax depreciation and depreciation	773.51	437.02	196.67
Fair value of Derivative financial asset	93.38	104.71	-
Fair value of Investments	6.54	5.67	82.25
Right of use assets as per Ind AS 116	378.45	232.38	73.32
Redeemable Preference Shares at amortised cost	-	-	498.00
Financial Liability at amortised cost	13.70	1.30	9.81
Loan to employees	0.77	0.75	-
Total Deferred Tax Liabilities	1,266.34	781.83	860.06
Minimum alternative tax (MAT) credit entitlement	-	10.29	11.30
Deferred tax asset, net	912.01	924.36	472.19

(B) Income tax expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
- Current tax taxes	1,586.48	2,467.61
- Adjustments in respect of current income tax of previous year	(36.38)	11.25
- Deferred tax charge / (income)	(5.19)	(3.90)
Income tax expense reported in the statement of profit or loss	1,544.91	2,474.96

(C) Income tax expense charged to OCI

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net (gain) on remeasurements of defined benefit plans	(7.25)	(45.60)
Income tax charged to OCI	(7.25)	(45.60)



(D) Reconciliation of tax charge

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	5,780.16	7,136.57
Tax Rate	25.63%	25.63%
Income tax expense at tax rates applicable	1,481.20	1,828.79
Tax on expense not eligible for deduction	23.41	26.30
Tax on deductions eligible	-	(3.51)
Income charged at different tax rates	-	8.47
Others	40.30	614.91
Income tax expense	1,544.91	2,474.96

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

Particulars	As at 1 April 2022	Recognised in statement of profit and loss Debit / (Credit)	Recognized in OCI	Recognised in equity	As at 31 March 2023	Recognised in statement of profit and loss Debit / (Credit)	Recognized in OCI	Recognised in equity	As at 31 March 2024
Tax effect on items constituting deferred tax assets and liabilities									
Deferred tax Asset									
Provision for employee benefit	868.18	47.89	(45.60)	-	2.29	10.26	(7.25)	-	5.30
Provision for expected credit loss	71.84	294.51	-	-	1,162.70	431.57	-	-	1,594.26
Lease liability as per Ind AS 116	1.40	161.58	-	-	233.42	150.21	-	-	383.63
Fair value of security deposits	11.70	3.18	-	-	4.58	(0.75)	-	-	12.05
Expenses allowed under tax on payment basis- Employee Benefit Expenses	-	4.53	-	-	16.23	(4.18)	-	-	2.62
Impact of difference between tax depreciation and depreciation	-	-	-	-	-	2.62	-	-	88.76
Financial Liability measured at FVTPL-DVR	312.92	79.81	-	-	79.81	8.94	-	-	(2.03)
Fair value of government grant	0.63	(171.05)	-	-	141.86	(143.90)	-	-	-
Business loss as per Income Tax Act	11.30	(0.63)	-	-	-	-	-	-	-
MAT Credit	54.27	(1.01)	-	-	10.29	-	-	(10.29)	-
Provision for Gratuity	-	0.73	-	-	55.00	27.02	-	-	82.02
Financial Liability at amortised cost	1,332.24	419.54	(45.60)	-	1,706.19	7.92	-	-	7.92
Deferred Tax Liability									
Impact of difference between tax depreciation and depreciation	196.67	240.35	-	-	437.02	336.49	-	-	773.51
Redeemable Preference Shares at amortised cost	498.00	(4.12)	-	(493.88)	-	-	-	-	-
Right of use assets as per Ind AS 116	73.32	159.06	-	-	232.38	146.07	-	-	378.45
Fair value of Derivative financial asset	-	104.71	-	-	104.71	(11.33)	-	-	93.38
Fair value of Investments	82.25	(76.59)	-	-	5.67	0.87	-	-	6.54
Financial assets at FVOCI	-	-	-	-	-	-	-	-	-
Provision for bad debt	9.81	(8.51)	-	-	1.30	12.40	-	-	13.70
Financial Liability at amortised cost	-	0.75	-	-	0.75	0.02	-	-	0.77
Loan to employees	860.06	415.65	-	(493.88)	781.83	484.51	-	-	1,266.34
Deferred Tax Asset/(Liability) Net	477.18	3.90	(45.60)	493.88	924.36	5.19	(7.25)	-	912.01



21 Share Capital

21(a) Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
(a.1) EQUITY SHARE CAPITAL			
<u>Authorized Share Capital</u>			
80,42,01,000 Equity shares of ₹5 each (31 March 2023: 2,75,00,000 Equity shares of ₹10 each, 1 April 2022: 1,00,00,000 Equity shares of ₹10 each)	40,210.05	2,750.00	1,000.00
	40,210.05	2,750.00	1,000.00
<u>Issued Subscribed and fully paid up</u>			
7,99,31,244 Equity shares of ₹5 each (31 March 2023: 1,33,21,874 Equity shares of ₹10 each, 1 April 2022: 99,86,669 Equity shares of ₹ 10/- each)	3,996.56	1,332.19	998.67
Total	3,996.56	1,332.19	998.67

Refer note 55 for common control business accounting as per Ind AS 103.

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	13,321,874	1,332.19	9,986,669	998.67
Add: Issued during the year	-	-	757,598	75.76
Add: CCPS converted in to Equity Shares	-	-	2,577,607	257.76
Add: Share split during the year (Refer Note h)	13,321,874	-	-	-
Add: Bonus share issued during the year (Refer Note h)	53,287,496	2,664.37	-	-
Outstanding at the end of the year	79,931,244	3,996.56	13,321,874	1,332.19

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

Particulars	As at 31 March 2024		As at 31 March 2023		As at 1 April 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	28,775,148	36.00%	4,795,858	36.00%	-	-
Bhavesh Vallabhdas Varmora	5,980,074	7.48%	996,679	7.48%	968,953	9.70%
Varmora Ramanbhai Jivrajibhai	5,267,472	6.59%	879,467	6.60%	934,955	9.36%
Varmora Vallabhbhai Jivrajibhai	4,125,342	5.16%	689,889	5.18%	753,691	7.55%
Varmora Hiren Ramanbhai	7,646,862	9.57%	746,476	5.60%	662,482	6.63%
Patel Ashokkumar Naranbhai	-	-	617,932	4.64%	634,573	6.35%
Varmora Bhavnaben Ramanbhai	-	-	541,107	4.06%	925,061	9.26%
Varmora Ranjanben Vallabhbhai	-	-	541,107	4.06%	779,169	7.80%
Patel Parsotambhai Jivrajibhai	-	-	426,931	3.20%	621,902	6.23%
Patel Pramodkumar Parsotambhai	5,366,580	6.71%	-	-	-	-
Varmora Bharatbhai Vallabhdas	4,731,267	5.92%	-	-	-	-
Varmora Manishkumar Vallabhbhai	4,534,773	5.67%	-	-	-	-

21(b) Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
(b.1) COMPULSORILY CONVERTIBLE CUMULATIVE PARTICIPATING PREFERENCE SHARES			
<u>Authorized Share Capital</u>			
5,00,00,000 compulsorily convertible cumulative participating preference shares of ₹ 10/- each (31 March 2023 : 35,20,00,000 convertible cumulative participating preference shares of ₹ 10/- each; 1 April 2022: Nil convertible cumulative participating preference shares of ₹ 10/- each)	5,000.00	35,200.00	-
	5,000.00	35,200.00	-
<u>Issued Subscribed and fully paid up</u>			
1,75,75,866 compulsorily convertible cumulative participating preference shares of ₹ 10/- each (31 March 2023 : 1,75,75,866 compulsorily convertible cumulative participating preference shares of ₹ 10/- each; 1 April 2022: Nil compulsorily convertible cumulative participating preference shares of ₹ 10/- each)	1,757.59	1,757.59	-
Total	1,757.59	1,757.59	-

(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 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	17,575,866	1,757.59	-	-
Add: Issued during the year	-	-	351,517,320	35,151.73
Less: Converted in to Equity Shares	-	-	(333,941,454)	(33,394.15)
Outstanding at the end of the year	17,575,866	1,757.59	17,575,866	1,757.59



In August 2022, the Company had issued 35,15,17,320 CCPS with a par value of Rs 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. In March 2023, the Company modified the conversion feature of CCPS, which meets fixed-to-fixed test and accordingly, classified such instruments as equity. In March 2023, the Company converted such 33,39,41,454 CCPS into 22,76,198 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 2024		As at 31 March 2023		As at 1 April 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	17,575,866	100%	17,575,866	100%	-	-
Total	17,575,866	100%	17,575,866	100%		

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
21(c) EQUITY SHARE CAPITAL WITH DIFFERENTIAL VOTING REIGHTS			
<u>Authorized Share Capital</u>			
50,000 Equity shares of ₹10 each (31 March 2023: 50,000 Equity shares of ₹10 each, 1 April 2022: Nil Equity shares of ₹10 each) with differential voting rights (DVR Shares)❏	5.00	5.00	-
	5.00	5.00	-
<u>Issued Subscribed and fully paid up</u>			
30,000 Equity shares of ₹10 each (31 March 2023: 30,000 Equity shares of ₹10 each, 1 April 2022: Nil Equity shares of ₹10 each) with differential voting rights (DVR Shares)❏	3.00	3.00	-
Total	3.00	3.00	-

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	30,000	3.00	-	-
Add: Issued during the year	-	-	30,000	3.00
Outstanding at the end of the year	30,000	3.00	30,000	3.00

30,000 DVR 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 and consequently the DVR's are measured at fair value through profit and loss under non-current financial liability (Refer Note 25) .

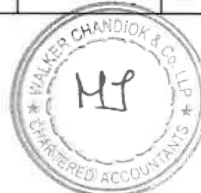
(c.3) Equity Shares with differential voting rights held by share holders holding more than 5% is as under:

Particulars	As at 31 March 2024		As at 31 March 2023		As at 1 April 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	30,000	100%	30,000	100%	-	-
Total	30,000	100%	30,000	100%		

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
21(d) PREFERENCE SHARE CAPITAL			
<u>Authorized Share Capital</u>			
Nil Preference shares of ₹10 each (31 March 2023: Nil Preference shares of ₹10 each, 1 April 2022: 1,70,00,000 Preference shares of ₹10 each)❏	-	-	1,700.00
	-	-	1,700.00
<u>Issued Subscribed and fully paid up</u>			
Nil Redeemable Preference shares (31 March 2023: Nil Redeemable Preference shares of ₹10 each, 1 April 2022: 1,70,00,000 Redeemable Preference shares of ₹10 each)❏	-	-	1,700.00
Total	-	-	1,700.00

(d.2) Reconciliation of redeemable preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	17,000,000	1,700.00
Converted in to Equity Shares	-	-	(17,000,000)	(1,700.00)
Outstanding at the end of the year	-	-	-	-



Up to FY 2021-22, the Company had issued redeemable preference Shares (RPS) with a par value of Rs 10 each. The holders of the RPS were not entitled to vote at any general meeting. The dividend rate was capped at 0.01% per annum on the face value. The RPS carried a preferential right over equity shares concerning dividend payments, if declared, in any particular financial year and repayment of capital during winding up.

During the FY 2022-23, the terms of RPS was varied and modified it to compulsory convertible preference share, which is convertible into equity shares at any time (i.e. within 20 years from the date of allotment or upon the expiry of 20 years from the date of allotment) at the option of the holder. The compulsory convertible preference share were converted into 3,01,409 equity shares in the FY 2022-23.

(d.3) Preference shares in the company held by share holders holding more than 5% is as under:

Particulars	As at 31 March 2024		As at 31 March 2023		As at 1 April 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Varmora Bharatbhai Vallabhdas	-	-	-	-	1,572,614	9.25%
Varmora Bhavnaben Ramanbhai	-	-	-	-	1,219,365	7.17%
Varmora Vallabhbhai Jivrajbhai	-	-	-	-	1,953,054	11.49%
Bhavesb Vallabhdas Varmora	-	-	-	-	1,158,740	6.82%
Varmora Ramanbhai Jivrajbhai	-	-	-	-	2,451,217	14.42%
Patel Pramodkumar Parsotambhai	-	-	-	-	1,119,473	6.59%
Varmora Ranjanben Vallabhbhai	-	-	-	-	951,253	5.60%
Zalariya Nidhi Bharatkumar	-	-	-	-	1,188,415	6.99%
Patel Parsotambhai Jivrajbhai	-	-	-	-	1,105,257	6.50%

(e) 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 2024					
Varmora Hiren Ramanbhai	746,476	6,900,386	7,646,862	9.57%	924%
Bhavesb Vallabhdas Varmora	996,679	4,983,395	5,980,074	7.48%	500%
Patel Pramodkumar Parsotambhai	511,610	4,854,970	5,366,580	6.71%	949%

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 2023					
Bhavesb Vallabhdas Varmora	968,953	27,726	996,679	7.48%	2.86%
Varmora Ramanbhai Jivrajbhai	934,955	(55,488)	879,467	6.60%	-5.93%
Varmora Hiren Ramanbhai	662,482	83,994	746,476	5.60%	12.68%
Varmora Vallabhbhai Jivrajbhai	753,691	(63,802)	689,889	5.18%	-8.47%
Ashokbhai Naranbhai Patel	634,573	(16,641)	617,932	4.64%	-2.62%
Rajkumar P Varmora	-	549,027	549,027	4.12%	100.00%
Varmora Ranjanben Vallabhbhai	779,169	(238,062)	541,107	4.06%	-30.55%
Varmora Bhavnaben Ramanbhai	925,061	(397,060)	528,001	3.96%	-42.92%
Varmora Bharatbhai Vallabhdas	431,269	86,722	517,991	3.89%	20.11%
Patel Pramodkumar Parsotambhai	449,835	61,775	511,610	3.84%	13.73%
Varmora Manishkumar Vallabhbhai	460,025	25,217	485,242	3.64%	5.48%
Parsotambhai Jivrajbhai Patel	621,902	(194,971)	426,931	3.20%	-31.35%
Lataben Pramodbhai Varmora	481,144	(98,324)	382,820	2.87%	-20.44%
Naranbhai Hansrajbhai Patel	457,256	(95,005)	362,251	2.72%	-20.78%
Varmora Praful Parsotambhai	217,858	5,863	223,721	1.68%	2.69%
Adarsh Harilal Patel	62,920	3,952	66,872	0.50%	6.28%
Vaishali Bhavesb Varmora	211,762	(211,762)	-	0.00%	-100.00%
Hetal Bharatbhai Varmora	98,433	(98,433)	-	0.00%	-100.00%
Zalariya Nidhi Bharatkumar	44,787	(44,787)	-	0.00%	-100.00%
Savitaben Parsotambhai Patel	73,010	(73,010)	-	0.00%	-100.00%
Varmora Prakash Parsotambhai	61,204	(61,204)	-	0.00%	-100.00%
Ekataben Prakashbhai Varmora	457,162	(457,162)	-	0.00%	-100.00%
Vanitaben Prafulbhai Varmora	68,511	(68,511)	-	0.00%	-100.00%
Patel Renukaben Ashokbhai	67,492	(67,492)	-	0.00%	-100.00%
Patel Rasilaben Harilal	9,986	(9,986)	-	0.00%	-100.00%
Dilipbhai Prahladbhai Patel	1,000	(1,000)	-	0.00%	-100.00%
Bharatbhai Prahladbhai Patel	500	(500)	-	0.00%	-100.00%
Pravinbhai Nagda	100	(100)	-	0.00%	-100.00%
Varmora Miraben Manishkumar	34,919	(34,919)	-	0.00%	-100.00%
Rutvi Hiren Varmora	16,710	(16,710)	-	0.00%	-100.00%



(f) Right, preferences and restrictions attached to shares

1 Equity Shares

The Company has two classes of Equity shares:

- Equity Shares having par value of Rs 5 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.
- Equity Shares with differential voting rights having par value of Rs 10 each and the holder of the equity share having rights as per occurrence of the DVR Rights Trigger Event.
- No Shares have been forfeited by the company since its incorporation.

2 Preference Shares

- The Company had redeemable preference Shares (RPS) having par value of Rs. 10 each and holder of the RPS was not entitled to vote at any general meeting.
- The Company has compulsorily convertible cumulative participating preference shares (CCPS) having face value of Rs. 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.

(g) Change in Authorised Share Capital

During the financial year 2023-24, 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.

(h) Events during the financial year 2023-24

- 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 Rs. 10 each, 5,00,00,000 compulsorily convertible cumulative and participating preference shares of Rs. 10 each, and 50,000 equity shares of Rs. 10 each with differential voting rights.
- The equity shares of the Company having face value of Rs. 10 each were subdivided into 2 equity shares having a face value of Rs. 5 each. Accordingly, authorized capital of the Company was divided into 65,90,00,000 equity shares having face value of Rs. 5 each, 5,00,00,000 compulsorily convertible cumulative and participating preference shares of Rs. 10 each, and 50,000 Equity shares of Rs. 10 each with differential voting rights.
- The Company had issued and allotted bonus shares of two new fully paid up equity shares of Rs. 5 each for every one equity shares of Rs. 5 each. According, the Company had issued 5,32,87,496 equity shares of Rs. 5 each as bonus shares.

22 Other Equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital contribution from group	204.15	204.15
Capital redemption reserve account	657.42	657.42
Securities premium	38,853.87	41,518.25
Share based payment reserve	315.77	-
Retained earnings	23,360.36	19,103.55
Total	63,391.57	61,483.37

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)) from Group (i.e. from parent company).
Capital redemption reserve account (CRR)	CRR serves as a safeguard to protect the company's share capital. It is created when it proposes to redeem redeemable preference shares 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.
State capital subsidy	This represents the amount of subsidy, company has received.
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.



Varmora Granito Private Limited
Notes to Standalone Financial Statements
(Amount in ₹ in Lakhs, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Capital Contribution from Group		
Opening balance	204.15	1,661.80
Less: Redemption/modification of redeemable preference share/ non-cumulative redeemable preference shares	-	(1,457.65)
Closing balance	204.15	204.15
(B) Capital redemption reserve account		
Opening balance	657.42	-
Add: Addition during the year	-	657.42
Closing balance	657.42	657.42
(C) State capital subsidy		
Opening balance	-	10.00
Less: Change during the year	-	(10.00)
Closing balance	-	-
(D) Retained earnings		
Opening balance	19,103.55	15,352.88
Add: Profit for the year	4,235.25	4,661.61
Add: Other Comprehensive Income for the year	21.56	129.95
Less: Transfer to capital redemption reserve	-	(657.42)
Less: Income Tax Paid for Buyback	-	(383.46)
Closing balance	23,360.36	19,103.55
(E) Security premium		
Opening balance	41,518.25	2,485.06
Add: Issue of shares	-	39,033.19
Less: Issue of bonus shares	(2,664.37)	-
Closing balance	38,853.87	41,518.25
(F) ESOP reserve		
Balance at the beginning of the year	-	-
Add: Addition during the year	315.77	-
Closing balance	315.77	-
Total	63,391.57	61,483.37

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23 Borrowings (Non Current)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Borrowings measured at Amortised Cost			
<u>Secured</u>			
Term loans - from banks	20,302.75	3,631.37	5,788.83
<u>Unsecured</u>			
From related parties	-	-	1,695.69
Liability component of compound financial			
Non-cumulative redeemable preference Shares (NCRPS) / redeemable preference Shares (RPS) (Refer note i,ii and iii)	-	-	921.14
Total	20,302.75	3,631.37	8,405.66

- i. Up to FY 2021-22, the Company had issued redeemable preference Shares (RPS) with a par value of Rs 10 each. The holders of the RPS were not entitled to vote at any general meeting. The dividend rate was capped at 0.01% per annum (on the face value). The RPS carried a preferential right over equity shares concerning dividend payments, if declared, in any particular financial year and repayment of capital during winding up.

During the FY 2022-23, the terms of RPS was varied and modified it to compulsory convertible preference share, which is convertible into equity shares at any time (i.e. within 20 years from the date of allotment or upon the expiry of 20 years from the date of allotment) at the option of the holder. The compulsory convertible preference share were converted into 3,01,409 equity shares in July 2022.

- ii. Nextile Marbosys Private Limited had issued non-cumulative redeemable preference shares (NCRPS) with a par value of Rs 10 each. The holders of the NCRPS were not entitled to vote at any general meeting. The dividend rate was capped at 0.01% per annum (on the face value). The NCRPS carried a preferential right over equity shares concerning dividend payments, if declared, in any particular financial year and repayment of capital during winding up. During the FY 2022-23, the NCRPS were converted into Compulsory Convertible Preference Shares (CCPS). The CCPS are compulsorily convertible into equity shares at any time (i.e. within 10 years from the date of allotment or upon the expiry of 10 years from the date of allotment) at the option of the CCPS holder. The conversion ratio meets the fixed-to-fixed test as of the date of issue of the CCPS. The CCPS were converted into equity shares as on 21 June 2022.

- iii. Solaris Ceramics Private Limited had issued redeemable preference shares (RPS) with a par value of Rs 10 each. The holders of the RPS were not entitled to vote at any general meeting. The RPS carried a preferential right over equity shares concerning dividend payments, if declared, in any particular financial year and repayment of capital during winding up. During the FY 2022-23, the RPS were converted into Compulsory Convertible Preference Shares (CCPS), which were compulsorily convertible into equity shares at any time (i.e. within 20 years from the date of allotment or upon the expiry of 20 years from the date of allotment) at the option of the CCPS holder. The conversion ratio meets the fixed-to-fixed test as of the date of issue of the CCPS. The CCPS were converted into equity shares as on 27 June 2022.

Refer note 55 for common control business accounting as per Ind AS 103.

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

Term loans / Car Loan From Banks	Nature of Security	Repayment Terms	Fixed/ Variable	Current Maturities of each Loan (₹.)	Amount of each Loan (₹.)
From HDFC Bank					
TERM LOAN - I	Current Assets - First Pari Passu Charge by way of Hypothecation of all present and future current assets and 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	Monthly	Fixed	266.08 (562.07)	576.51 (1,138.58)
TERM LOAN - II	Machineries of Unit 3 which is funded by ICICI Bank Ltd). Factory Land and Building (1) Exclusive charge by way of mortgage	Quarterly	Fixed	657.39 (657.39)	999.48 (1,656.87)
TERM LOAN - III	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 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	Monthly	Fixed	366.78 (366.78)	1,006.74 (1,373.53)
TERM LOAN - IV	(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 Pvt. Ltd. (Unit 2 Of Borrower) (5) Exclusive charge by way of equitable	Monthly	Fixed	744.62	11,913.89
GECL	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 PrivateLimited. 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 Pvt Ltd, Nextile Marbosys Private Limited and Varmora Ceramic Private Limited Personal Guarantee : Personal Guarantee of (1) Mr. Ashokkumar Naranbhai Patel (2) Mr. Bhavesh Vallabhdas Varmora (3) Mr. Pramodbhai Parshottambhai Patel (4) Mr. Hiren Ramanobhai Varmora	Monthly	Fixed	181.22 (310.67)	181.22 (491.89)



From 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	Monthly	Fixed	698.29	7,980.46
From SBI Bank					
TERM LOAN -I	a. 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.) c. 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. b. 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., c. 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	Monthly	Fixed	309.27	623.27
				(522.74)	(1,146.01)
GECL	GECL Loan guaranteed by National Credit Guarantee Trustee Company Ltd.	Monthly	Fixed	4.72	170.00
				(4.72)	(170.00)
Vehicle Loans From HDFC Bank					
Vehicle Loans	Secured by way of Specific Vehicle	Monthly	Fixed	70.04	204.68
				(41.82)	(137.14)

Previous year figures are in brackets



The terms of repayment of the above loans are as follows:

Term Loans/Car Loan	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	May-26	9.30%	26.00 (38.00)	1.41 to 19.28 (1.41 to 19.28)
TERM LOAN - II	Aug-25	9.07%	6.00 (10.00)	3.26 to 35.87 (1.19 to 11.96)
TERM LOAN - III	Jan-2026 to May-2027	9.07%	22 to 38 (34 to 50)	0.28 to 20.89 (0.28 to 20.89)
TERM LOAN - IV	Jun-31	8.56%	80.00	0.36 to 31.06
GFCL	Oct-24	9.25%	7.00 (19.00)	25.89 (25.89)
From ICICI Bank				
TERM LOAN-I	May-31	8.65%	80.00	1.06 to 23.29
From SBI Bank				
Term loan- I	May-2024 to Mar-2025	9.25% 9.15%	2 to 12 (1 to 24)	9.51 to 22.50 (3.61 to 22.50)
GFCL	Feb-28	9.25%	35.00 (36.00)	4.72 (4.72)
Vehicle Loans From HDFC Bank				
Vehicle Loans	Ap-24 to Jan-28	7.40% to 8.90%	1 to 46 (13 to 48)	0.34 to 2.96 (0.34 to 2.96)

24 Lease Liability

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Non-current maturities of Lease liabilities	1,334.06	737.33	222.42
Current maturities of lease liabilities	181.01	174.71	61.95
Total	1,515.07	912.04	284.37

Refer note 48 for disclosure related to lease liability.

25 Other Financial Liabilities (Non Current)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Differential voting rights (DVR shares), measured at FVTPL*	475.63	440.10	-
Payable for capital goods	-	-	187.11
Total	475.63	440.10	187.11

* 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.

26 Provisions (Non Current)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Provision for employee benefits			
Provision for gratuity	376.20	313.39	367.83
Total	376.20	313.39	367.83

27 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Government Grant Liability	4,292.41	418.82	1,073.69
Total	4,292.41	418.82	1,073.69

28 Borrowings (Current)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Secured			
From banks	8,253.58	7,783.30	8,652.32
Unsecured			
From banks	-	2,000.00	-
Interest accrued but not due on borrowings	106.26	136.70	44.70
Current maturities of non current loans	3,275.92	2,448.62	2,834.92
Liability towards purchase of additional interest in subsidiaries	-	-	4,402.33
Total	11,635.76	12,368.62	15,934.27

* Loan from related party is repayable on demand. The interest rate on the same is 9% p.a.



A 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 and 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 : Dhruva , Tal.Wankaner, Morbi, Gujarat-363622 admeasuring 66783 sq.mts owned by Varmora Granito Pvt. Ltd. (2) Exclusive charge by way of mortgage of Factory Land & Building located survey no.145 paiki & 146, situated at nearby Dhruva Over Bridge, National Highway 8-A, at: Dhruva, 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 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 PrivateLimited. 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 Pvt Ltd, Nextile Marbosys Private Limited and Varmora Ceramic Private Limited Personal Guarantee - Personal Guarantee of (1) Mr. Ashokkumar Naranbhai Patel (2) Mr. Bhavesh Vallabhdas Varmora (3) Mr. Pramodbhai Parshottambhai Patel (4) Mr. Hiren Ramanbhai Varmora Corporate Guarantee - Corporate Guarantee of Jaystar Industries	8.52% p.a.
SBI Bank	Security a. 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.) b. 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., c. 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	8.80% p.a.
ICICI Bank	Charge by way of hypothecation on all current assets of the Borrower, including but not limited to : i. book debts ii. Receivables	8.5% p.a.



- B 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.

(b)		Books of accounts	Statement filled with bank
	FY 2023-24 - Quarter		
	June	54,010.10	54,825.92
	September	61,350.31	62,480.15
	December	54,390.00	47,245.97
	March	44,096.05	51,223.85
	FY 2022-23 - Quarter		
	June	27,027.89	26,996.06
	September	26,530.36	26,598.22
	December	27,129.30	27,356.07
	March	30,085.28	31,029.72

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.

29 Trade Payables

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Total outstanding dues of micro and small enterprises*	63.51	141.95	190.97
Total outstanding dues of creditors other than micro and small enterprises	17,210.84	19,543.89	16,839.83
Total	17,274.35	19,685.84	17,030.80

* 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 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	63.51	-	-	-	63.51
(ii) Others	17,151.88	20.02	15.75	23.19	17,210.84
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	17,215.39	20.02	15.75	23.19	17,274.35

As at 31 March 2023

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	141.95	-	-	-	141.95
(ii) Others	19,383.92	70.01	24.96	65.00	19,543.90
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	19,525.87	70.01	24.96	65.00	19,685.84

As at 1 April 2022

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	190.97	-	-	-	190.97
(ii) Others	16,675.12	33.67	54.03	76.99	16,839.83
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	16,866.09	33.67	54.03	76.99	17,030.80

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

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
(a) Principal & Interest amount remaining unpaid but due as at year end			
- Principal Amount	49.58	130.26	177.25
- Interest due thereon	13.93	11.69	13.72
(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	11.70	13.72	-
(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	10.38	11.41	10.44
(d) Interest accrued and remaining unpaid as at year end	13.93	11.70	13.72
(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	13.93	11.70	13.72

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 2024 has been made in the financials statements based on information received and available with the Company.



30 Other Financial Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Insurance reimbursement payable	-	2.09	0.65
Customer Trade Deposits	560.16	508.31	448.85
Liability for Expense	2,404.91	1,029.84	1,057.32
Capital Creditors	2,687.17	99.44	49.11
Employee related payables	454.15	414.51	609.21
Total	6,106.39	2,054.19	2,165.14

31 Contract Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Advances received from customers	945.34	820.81	1,109.74
Total	945.34	820.81	1,109.74

Note: Refer note 57 for disclosures in respect of revenue from contract with customers.

32 Other Current Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Statutory dues payable	156.13	919.35	979.94
Government Grant Liability	107.58	-	-
Total	263.71	919.35	979.94

33 Provision (Current)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Provision for employee benefits			
Provision for gratuity	31.25	30.87	21.29
Total	31.25	30.87	21.29

34 Current Tax Liability

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Current tax Payable	226.59	543.02	558.60
Total current tax liabilities	226.59	543.02	558.60

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35 Revenue From Operations

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Sale of Products		
Tiles	127,192.77	120,451.05
Other operating revenues		
Insurance facilitation charges	445.94	352.59
Sale from RoDTEP License Income	275.54	215.34
Export duty draw back	485.45	378.32
Total	128,399.70	121,397.30

Refer note 57 for disclosures in respect of revenue from contract with customers.

36 Other Income

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest income		
- Interest Income on Fixed Deposits with Banks	1,238.05	759.26
- Interest Income on Inter Corporate Loans	431.49	277.65
- Interest Income on Security Deposit	4.26	7.47
- Interest Income on loan to employee	8.34	8.66
- Others	17.87	11.67
Investment classified at fair value through profit or loss	5.73	2.92
Fair value gain of embedded derivative liability (CCPS)	-	2,132.59
Amortisation of deferral gain on issue of CCPS	-	1,853.16
Profit on sale of assets	13.86	25.89
Net gain on foreign currency transactions	583.72	721.03
Balances written back	29.34	10.68
Other Income	15.26	2.37
Government Grant Income	1,525.26	654.87
Miscellaneous Income	-	15.55
Total	3,873.18	6,483.77

37 Cost of Materials Consumed

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Raw materials at the beginning of the year	1,284.94	1,571.95
Add: Purchases	18,348.12	20,088.50
Less: Raw materials at the end of the year	(1,236.35)	(1,284.94)
Total (A)	18,396.71	20,375.51

Packing Material Consumed

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Opening Stock	174.44	269.31
Add: Purchase	4,210.63	4,129.71
Less: Closing Stock	(145.61)	(174.44)
Total (B)	4,239.46	4,224.58
Total (A+B)	22,636.17	24,600.09

38 Purchases of Stock in Trade

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Purchases of Stock in Trade	47,735.76	39,161.79
Total	47,735.76	39,161.79



39 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Inventories at the beginning of the year		
Finished goods	8,941.82	7,376.60
Work-in-progress	520.87	292.09
Stock - in - trade	2,539.23	489.09
Stock In Transit	126.22	47.82
Total	12,128.14	8,205.60
Less: Inventories at the end of the year		
Finished goods	(7,937.53)	(8,941.82)
Work-in-progress	(580.68)	(520.87)
Stock In Transit	-	(126.22)
Stock - in - trade	(4,404.87)	(2,539.23)
Total	(12,923.08)	(12,128.14)
Net (increase) in inventories	(794.94)	(3,922.54)

40 Employee Benefit Expenses

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Salaries, wages and bonus	8,483.44	8,260.41
Contribution to provident and other funds	107.42	54.76
Share based payment expense	315.77	-
Staff welfare expenses	145.06	88.07
Total	9,051.69	8,403.24

41 Finance Costs

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest expense on borrowings	1,734.18	1,402.20
Interest expense on CCPS liability	-	1,820.93
Other finance cost	84.90	124.00
Interest expenses on lease liabilities	117.81	38.83
Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	19.51
Total	1,936.89	3,405.47

42 Depreciation Expense

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Depreciation on property, plant and equipment	4,033.59	3,379.46
Depreciation on right of use of asset	229.53	143.32
Amortisation on Intangible assets	12.34	25.40
Total	4,275.46	3,548.18



43 Other Expenses

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Consumption of Stores & Spares	2,696.20	2,897.91
Power and fuel	18,333.52	22,491.13
Labour Work Contract Expense	4,581.21	3,609.19
Repairs & maintenance Expenses	-	-
Building	65.54	129.16
Plant and machinery	385.28	651.34
Others	74.46	71.90
Insurance Expense	211.58	239.10
Legal & professional charges	348.62	939.33
Lease Rent & License Fees	109.24	363.72
Freight Outward and Transportation Charges	3,460.82	2,541.31
Rates & Taxes	313.81	33.78
Product Designing Expenses	76.50	39.07
Balances written off	-	24.93
Audit Fees Expense (refer note below)	62.00	30.44
Other Manufacturing Expenses	199.60	302.78
Lab Analysis Expenses	12.82	4.96
Donation	24.48	23.67
Tours & Traveling Expense	371.96	299.72
Bad debt written off and Expected credit loss	1,869.81	1,171.90
CSR Expense	91.37	72.27
Stamp Duty and other Legal Charges	6.62	4.38
Selling & distribution	7,571.65	5,536.31
Rent of Plant & Machinery	3.00	53.51
Rent of Factory Building	204.68	55.41
Loss on extinguishment of on CCPS liability	-	2,164.82
Loss on fair value of call option	45.00	1,062.00
Loss on fair value of differential voting right (DVR shares)	35.53	317.10
Miscellaneous expenses	496.41	417.13
Total	41,651.71	45,548.27

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

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
As auditor:		
Statutory audit	60.50	24.99
In other capacity:		
Tax audit	1.50	3.00
Other matters	-	2.45
Total	62.00	30.44

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44 Earnings per Share

Basic earnings/(loss) per share amounts are calculated by dividing the profit/loss 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 2024	For the Year Ended 31 March 2023
Profit attributable to the equity holders of the company	4,235.25	4,661.61
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	80,648,628	72,799,212
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	80,800,312	72,799,212
Basic earnings per share (In ₹)	5.25	6.40
Diluted earnings per share (In ₹)	5.24	6.40

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

45 Contingent Liabilities and Capital Commitments

(a) Contingent Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Claims under Central Sales Tax Act	-	26.98	26.98
Claims under Central Excise Duty Act	593.41	593.41	593.41
Claims against the company not acknowledged as a debt	613.38	613.38	613.38
Claims under Income Tax Act	5,567.12	5,567.12	5,504.80
Penalty demanded by Joint Director General of Foreign Trade Rajkot for non-submission of documents of EODC against EPCG authorisation.	-	200.00	200.00
Interim Compensation demanded by National Green Tribunal and GPCB for the usage of Coal Gasifier Plant.	184.00	184.00	184.00
Others (National Green Tribunal)	136.80	136.80	136.80
Export obligation deferred income*	4,399.99	418.82	1,073.69

* The Company has imported capital goods without payment of duty under EPCG Scheme. The Company has been granted waiver of custom duty of Rs. 7,286.36 lakhs against which company is committed to export goods of Rs. 43,718.15 lakhs in the block period of 6 years from the date of authorisation of EPCG license. The outstanding export obligation was Rs. 26,399.94 lakhs as on 31 March 2024, Rs. 2,512.94 lakhs as on 31 March 2023 and Rs. 6,442.14 Lakhs as on 1 April 2022.

(b) Capital Commitments

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	1,384.01	8,200.02	181.86

46 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 2024	For the Year Ended 31 March 2023
Employers' Contribution to Provident Fund and other funds	107.42	54.76

(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 asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.



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 2024, 31 March 2023 and 1 April 2022.

i) Actuarial assumptions

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Discount rate (per annum)	7.20%	7.45%	7.25%
Rate of increase in Salary (per annum)	5.50	5.50	5.50
Normal retirement age	60.00	60.00	60.00
Average future service	24.39	22.37 to 26.43	24.72 to 26.84
Mortality rate	IALM(2012-14) Rates	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	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	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	344.27	389.12
Interest cost	25.65	27.44
Current service cost	90.63	109.41
Benefits paid	(24.28)	(6.14)
Actuarial (gain) on obligations	(28.81)	(175.55)
Present value of obligation at the end of the year*	407.46	344.27

*Included in provision for employee benefits (Refer note 26,33)

iii) Expense recognized in the Statement of Profit and Loss

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Current service cost	90.63	109.41
Interest cost	25.65	27.44
Total expenses recognized in the Statement Profit and Loss	116.28	136.85

iv) Expense recognized in Other comprehensive income

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Actuarial (gain) on obligation for the period	(28.81)	(175.55)
Net actuarial (gains) recognised in OCI	(28.81)	(175.55)

v) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Present value of unfunded obligation as at the end of the year	407.46	344.27	389.12
Net liability recognized in Balance Sheet	407.46	344.27	389.12

vi) Bifurcation of current and Non-current

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Current liability	31.25	30.87	21.29
Non-current liability	376.20	313.39	367.83
Net liability recognized in Balance Sheet	407.45	344.26	389.12



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

Impact on defined benefit obligation	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Discount rate		
Increase by 0.5%	(17.83)	(15.26)
Decrease by 0.5%	19.21	16.49
Rate of increase in salary		
Increase by 0.5%	16.06	14.60
Decrease by 0.5%	(16.18)	(14.19)
Rate of withdrawal		
Increase by 10%	3.71	3.49
Decrease by 10%	(3.93)	(3.65)

viii) Maturity profile of defined benefit obligation

Year	As at 31 March 2024	As at 31 March 2023
Expected outgo first	31.25	30.88
Expected outgo second	28.86	26.03
Expected outgo third	27.67	24.19
Expected outgo fourth	32.68	22.87
Expected outgo fifth	26.95	25.46
Expected outgo six to ten years	222.02	141.57

47 Employee Share Based Payments

During the year ended 31 March 2024, the Company 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 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.

A Description of share based payments:

Particulars	ESOP 2023
i. 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. (iii) Vesting of option would be subject to continued employment with the Company. (iv) In addition, the Board may also specify certain performance based parameters subject to which the options would vest.
ii. Maximum vesting term of option	3 Years
iii. Method of settlement	Equity shares of ₹ 5 each.



Equity-settled options

The company has granted employee stock option schemes. During the year ended 31 March 2024 following schemes were in operation

Particulars	As at 31 March 2024
Date of grant	08-12-23
Date of Board approval	30-11-23
Date of Shareholders approval	08-12-23
No. of options granted	1,291,997.00
Method of Settlement (Cash/Equity)	Equity
Vesting period	1-3 years
Exercise period	5 years from date of vesting
Vesting conditions	Service and Non market performance condition

Movement during the year

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

Particulars	Year ended 31 March 2024	
	Number of shares	Weighted average exercise Price
Outstanding at the beginning of the year		
Granted during the year	1,291,997	134.19
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	1,291,997	134.19

B Summary of share based payments
As at 31 March 2024

Particulars	ESOP 2023	Total
Outstanding balance at the beginning of the period		-
Options granted	1,291,997	1,291,997
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
Options lapsed	-	-
Options outstanding at the end of the period	1,291,997	1,291,997
For share options exercised:		
Weighted average exercise price at date of exercise	-	-
Money realized by exercise of options (in actual rupees)	-	-
For share options outstanding		
Exercise prices	5 - 285.29	5 - 285.29
Average remaining contractual life of options	6.80 years	6.80 years



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 2024	ESOP 2023		
Valuation of Stock options			
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	116.43	124.10	136.67
Exercise Price ₹	216.70	216.70	216.70
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			
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	87.67	97.24	111.91
Exercise Price ₹	285.29	285.29	285.29
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			
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	260.31	260.40	260.65
Exercise Price ₹	5.00	5.00	5.00
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 data and the company expects the volatility of its share price may not differ from historical volatility. 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 considered.

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 2024
Total Employee compensation cost pertaining to share-based payment plans	315.77
Employees compensation cost pertaining to equity-settled employee share-based payment plan included above	-
Employee stock options reserve as at year end	315.77



48 Leases

Where the Company is a lessee

The Company leases lands and office premises. Rental contracts are typically made for fixed periods of 1 year to fifty years.

A. The following is the movement in lease liabilities during the year ended 31 March 2024 and 31 March 2023:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	912.04	284.37
Additions during the year	765.83	733.84
Add: Interest Expenses	117.81	38.83
Less: Payments during the year	(280.60)	(145.00)
Closing balance	1,515.07	912.04
Current	181.01	174.71
Non-current	1,334.06	737.33
Closing balance	1,515.07	912.04

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense of right-of-use assets	229.53	143.32
Interest expense on lease liabilities	117.81	38.83
Expenses relating to short-term leases	316.92	472.64
Total	664.26	654.78

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Payment of lease liabilities - principal	162.80	105.18
Payment of lease liabilities - interest	117.81	38.83

D. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Minimum lease payments due	As at 31 March 2024		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	275.01	104.96	170.05
1-2 years	211.52	93.26	118.26
2-3 years	164.99	86.83	78.16
More than 3 years	3,884.08	2,735.48	1,148.60
Total	4,535.60	3,020.53	1,515.07

Minimum lease payments due	As at 31 March 2023		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	236.52	62.09	174.43
1-2 years	229.20	48.45	180.75
2-3 years	165.71	35.94	129.77
More than 3 years	535.77	108.68	427.09
Total	1,167.20	255.16	912.04

Minimum lease payments due	As at 1 April 2022		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	80.69	19.00	61.69
1-2 years	85.77	14.04	71.73
2-3 years	80.86	8.50	72.36
More than 3 years	116.86	38.27	78.59
Total	364.18	79.81	284.37



49. 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 (VGPL) being joint controlled entity	1. Katsura Investments 2. Promotor Group of Varmora Granito Private Limited - Bhavesh Vallabhdas Varmora - Varmora Hiren Ramanbhai - Patel Pramodkumar Parsotambhai
2	Key Management Personnel	Bhavesh Vallabhdas Varmora Varmora Hiren Ramanbhai Patel Pramodkumar Parsotambhai
3	Subsidiaries	Simola Tiles LLP Covertex Ceramica Private Limited Varmora Sanitarywares LLP Nextile Marbosys Private Limited (Merged with VGPL w.e.f 1 April 2023) Solaris Ceramics Private Limited (Merged with VGPL w.e.f 1 April 2023) Tocco Ceramic Private Limited (Merged with VGPL w.e.f 1 April 2023) Confi Sanitaryware Private Limited (Merged with VGPL w.e.f 1 April 2023) Varmora Ceramics Private Limited (Merged with VGPL w.e.f 1 April 2023)
4	Associate	Sentosa Granito Private Limited Fiorenza Granito Private Limited
5	Joint venture	Avalta Granito Private Limited Renite Vittrified LLP (w.e.f. 28 July 2022)
6	Enterprise Controlled by the key management personnel or individual having significant control or their Relatives	Varmora International Varmora Plastech Private Limited
7	Relatives of key management personnel	Ramanbhai Jivrajbhai Varmora Vallabhbbhai Jivrajbhai Varmora Ashok N Patel Bharat Varmora Manish Varmora Parshottambhai Jivarajbhai Patel Bharatkumar Zalariya Bhavabai Ramanbhai Varmora Naranbhai Hansrajbhai Patel Renukaben Ashokbhai Patel Rutviben Hirenbbhai Varmora Nidhi Bharatkumar Zalariya Hiren R. Varmora (HUF) Varmora Ranjanben Vallabhbbhai Hargovindbhai Tribhovanbhai Zalaria Jalpaben Abhishek Lenchiya Abhishek Vinodbhai Lenchiya Hiral Vinodbhai Lenchiya Bharatbhai Hargovindbhai Zalariya (HUF) Hetal Bharatbhai Varmora Lataben Pramodbhai Patel Dishita Pramodbhai Patel Savitaben Parsotambhai Patel Harjivanbhai Muljibhai Detroja Bharatbhai Hargovindbhai Zalariya Bharat Hargovind Zalariya (HUF)



Varmora Granito Private Limited
Notes to Standalone Financial Statements
(Amount in ₹ in Lakhs, unless otherwise stated)

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 2024	For the Year Ended 31 March 2023
1	<u>Subsidiaries</u>			
	Simola Tiles LLP (w.e.f. 25 August 2022)	Sale of Goods (including taxes)	71.09	121.38
	Covertex Ceramica Private Limited	Sale of Goods (including taxes)	9.81	0.20
	Simola Tiles LLP	Purchase of Goods (Including taxes)	1,297.43	853.85
	Varmora Sanitarywares LLP	Purchase of Goods (Including taxes)	4,072.90	4,281.07
	Covertex Ceramica Private Limited	Purchase of Goods (Including taxes)	14,485.40	10,944.07
	Simola Tiles LLP	Deposit Interest Income	224.55	63.90
	Covertex Ceramica Private Limited	Deposit Interest Income	157.78	155.21
	Simola Tiles LLP	Other Expense (including Taxes)	0.01	-
	Simola Tiles LLP	Loan Given	-	2,545.00
	Covertex Ceramica Private Limited	Loan Given	-	262.85
	Simola Tiles LLP	Loan Recovered	122.52	107.51
	Covertex Ceramica Private Limited	Loan Recovered	157.78	139.69
2	<u>Associate</u>			
	Renite Vittrified LLP	Sale of Goods (including taxes)	-	15.01
	Sentosa Granito Private Limited	Sale of Goods (including taxes)	2.49	-
	Fiorenza Granito Private Limited	Purchase of Goods (Including taxes)	1,963.22	3,571.72
	Sentosa Granito Private Limited	Purchase of Goods (Including taxes)	9.15	504.34
	Renite Vittrified LLP	Purchase of Goods (Including taxes)	303.89	57.61
	Avalta Granito Private Limited	Purchase of Goods (Including taxes)	1,100.74	107.37
	Avalta Granito Private Limited	Deposit Interest Income	33.75	33.75
	Fiorenza Granito Private Limited	Deposit Interest Income	14.75	14.75
	Fiorenza Granito Private Limited	Loan Recovered	14.75	13.28
	Avalta Granito Private Limited	Loan Recovered	33.75	30.38
3	<u>Enterprise Controlled by the key management personnel or individual having significant control or</u>			
	Varmora Plastech Private Limited	Sale of Goods (including taxes)	4.72	2.07
	Varmora International	Sale of Capital Goods (including taxes)	-	182.00
	Varmora International	Purchase of Goods (Including taxes)	-	2,125.99
	Varmora Plastech Private Limited	Purchase of Goods (Including taxes)	47.49	80.39
	Varmora Plastech Private Limited	Loan Given	-	25.00
	Varmora Plastech Private Limited	Loan Recovered	-	25.00
	Varmora International	Advance Collection Made on Behalf of	-	10.77
	Varmora International	Collection Made on Behalf of	-	6.63
	Varmora International	Payables for Purchase of Goods/Services	-	7.05
	Varmora Plastech Pvt Ltd	Showroom Expense / Sales Promotion Expense (Including Tax)	25.97	-
	Varmora Plastech Pvt Ltd	Other Expenses	0.16	-



Varmora Granito Private Limited
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4	Key Managerial Personnel			
	Pramodbhai P Varmora	Sale of Goods (including taxes)	-	0.02
	Hiren R. Varmora	Sale of Goods (including taxes)	1.04	5.59
	Bharat Varmora	Sale of Goods (including taxes)	-	1.90
	Manish Varmora	Sale of Goods (including taxes)	0.27	-
	Bhavesbhai Varmora	Remunerations	35.08	34.58
	Hiren Varmora	Remunerations	35.08	34.58
	Pramodkumar Parsotambhai Patel	Remunerations	35.08	34.58
	Vinubhai Mavjibhai Lenchiya	Remunerations	-	2.52
	Bhavesbhai Varmora	Other Expense (including Taxes)	11.50	-
	Hiren Varmora	Other Expense (including Taxes)	3.79	-
	Vinubhai Mavjibhai Lenchiya	Buyback of Shares	-	152.00
	Chamanbhai Muljibhai Detroja	Buyback of Shares	-	69.84
	Hiren R. Varmora	Deposits Accepted	-	66.20
	Hiren R. Varmora	Deposits Repaid	-	66.20
	Hiren R. Varmora	Loans Accepted	-	15.63
	Hiren R. Varmora HUF	Loans Accepted	-	-
	Pramodkumar Parsotambhai Patel	Loans Accepted	-	5.00
	Bhavesbhai Vallabhbbhai Varmora	Loans Repaid	-	17.38
	Bharatbhai Hargovindbhai Zalariya	Loans Repaid	-	84.47
	Pramodkumar Parsotambhai Patel	Loans Repaid	-	14.55
	Ashokbhai Naranbhai Patel	Loans Repaid	-	1.74
	Hiren R. Varmora	Loans Repaid	-	55.28
	Patel Pramodkumar Parsotambhai	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	29.81
	Bhavesbhai Vallabhbbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	32.58
	Hiren R. Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	10.60
5	Relative of Key Managerial Personnel			
	Ashok Naranbhai Patel	Sale of Capital Goods (including taxes)	-	126.50
	Bharatbhai Varmora	Sale of Capital Goods (including taxes)	-	0.20
	Naranbhai Hansrajbbhai Patel	Sale of Capital Goods (including taxes)	-	13.00
	Ramanbhai Jivrajbbhai Varmora	Sale of Capital Goods (including taxes)	-	2.20
	Vallabhbbhai Jivrajbbhai Varmora	Sale of Capital Goods (including taxes)	-	0.80
	Bharatbhai Varmora	Sale of Goods (including taxes)	0.92	1.90
	Manishkumar Vallabhbbhai Varmora	Sale of Goods (including taxes)	0.27	-
	Bharatbhai Varmora	Other Expense (including Taxes)	0.12	-
	Manishkumar Vallabhbbhai Varmora	Other Expense (including Taxes)	1.12	-
	Varmora Ranjanben Vallabhbbhai	Rent paid	-	1.82
	Ashokkumar Naranbhai Patel	Remunerations	26.31	25.94
	Bharatbhai Varmora	Remunerations	35.08	34.58
	Manishkumar Vallabhbbhai Varmora	Remunerations	35.08	34.58
	Nidhiben B Zalariya	Remunerations	-	5.00
	Hargovindbhai Tribhovanbhai Zalariya	Remunerations	-	5.00
	Jalpaben Abhishek Lenchiya	Remunerations	-	5.40
	Abhishek Vinodbhai Lenchiya	Remunerations	-	5.40
	Hiral Vinodbhai Lenchiya	Remunerations	-	5.40
	Jalpaben Abhishek Lenchiya	Commission Paid	-	0.70
	Hiral Vinodbhai Lenchiya	Commission Paid	-	0.70
	Ashokbhai Naranbhai Patel	Deposits Accepted	-	-
	Ramanbhai Jivrajbbhai Varmora	Deposits Accepted	-	-
	Naranbhai Hansrajbbhai Patel	Deposits Accepted	-	3.00
	Bhavabai Ramanbhai Varmora	Deposits Accepted	-	-
	Renukaben Ashokbhai Patel	Deposits Accepted	-	-
	Parshotambhai Jivrajbbhai Varmora	Deposits Accepted	-	-
	Vallabhbbhai Jivrajbbhai Varmora	Deposits Accepted	-	-
	Ashokbhai Naranbhai Patel	Deposits Repaid	-	3.45
	Ramanbhai Jivrajbbhai Varmora	Deposits Repaid	-	42.81
	Naranbhai Hansrajbbhai Patel	Deposits Repaid	-	74.99
	Bhavabai Ramanbhai Varmora	Deposits Repaid	-	69.36
	Renukaben Ashokbhai Patel	Deposits Repaid	-	35.62
	Rutviben Hirenbhai Varmora	Deposits Repaid	-	-
	Nidhi Bharatkumar Zalariya	Deposits Repaid	-	37.37
	Parshotambhai Jivrajbbhai Varmora	Deposits Repaid	-	51.38
	Nidhiben B. Zalariya	Salary Paid	-	5.00
	Manishkumar Vallabhbbhai Varmora	Loans Accepted	-	4.34
	Nidhi Bharatkumar Zalariya	Loans Accepted	-	17.30



Varmora Granito Private Limited
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Bhavnaaben Ramanbhai Varmora	Loans Accepted	-	0.97
Bharatbhai Vallabhbbhai Varmora	Loans Accepted	-	10.45
Ranjanben Vallabhbbhai Varmora	Loans Accepted	-	0.80
Bharatbhai Hargovindbhai Zalaria	Loans Repaid	-	84.47
Bharatbhai Hargovindbhai Zalaria(HUF)	Loans Repaid	-	16.05
Hargovindbhai Tribhovanbhai Zalaria	Loans Repaid	-	0.53
Godavariben H. Zalaria	Loans Repaid	-	5.75
Ashokbhai Naranbhai Patel	Loans Repaid	-	1.74
Vallabhbbhai Jivrajbbhai Varmora	Loans Repaid	-	27.57
Hirenbhai R. Varmora	Loans Repaid	-	15.38
Rutviben Hirenbhai Varmora	Loans Repaid	-	44.21
Manishkumar Vallabhbbhai Varmora	Loans Repaid	-	60.75
Nidhi Bharatkumar Zalaria	Loans Repaid	-	18.86
Bhavnaaben Ramanbhai Varmora	Loans Repaid	-	35.85
Bharatbhai Vallabhbbhai Varmora	Loans Repaid	-	68.08
Renuka Ashok Patel	Loans Repaid	-	5.41
Hetal Bharatbhai Varmora	Loans Repaid	-	30.15
Lataben Pramodbhai Patel	Loans Repaid	-	6.80
Dishita Pramodbhai Patel	Loans Repaid	-	10.89
Prakashbbhai Parsotambhai Patel	Loans Repaid	-	18.64
Savitaben Parsotambhai Patel	Loans Repaid	-	10.78
Ranjanben Vallabhbbhai Varmora	Loans Repaid	-	33.83
Harjivanbhai Muljibhai Detroja	Loans Repaid	-	18.06
Bharatbhai Hargovindbhai Zalaria	Reimbursement of Expenses	-	0.26
Manishkumar Vallabhbbhai Varmora	Reimbursement of Expenses	-	1.66
Bharatbhai V Varmora	Reimbursement of Expenses	-	3.15
Bharatbhai V Varmora	Sale of Plant, Property & Equipment	-	18.30
Bharat Hargovind Zalaria (HUF)	Buyback of Shares	-	87.16
Harjivanbhai Muljibhai Detroja	Buyback of Shares	-	72.00
Parsotambhai Jivrajbbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	1.05
Varmora Manishkumar Vallabhbbhai	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	0.47
Varmora Bharatbhai Vallabhdas	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	1.19
Varmora Vallabhbbhai Jivrajbbhai	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	1.79
Varmora Bhavnaben Ramanbhai	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	1.13
Varmora Ramanbhai Jivrajbbhai	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	2.26
Patel Ashokkumar Naranbhai	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	0.68
Zalaria Nidhi Bharatkumar	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	1.09
Patel Renukaben Ashokbhai	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	0.05
Naranbhai Hansrajbbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	0.21
Bharatkumar Hargovindbhai Zalaria	Interest expense on non-cumulative redeemable preference shares/ redeemable	-	1.62



Varmora Granito Private Limited
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(b) Following are the balances outstanding as at the year end:

Sr. No.	Name of the related party	Nature	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
1	<u>Subsidiary</u>				
	Covertex Ceramica Private Limited	Payables	2,916.15	2,229.29	667.52
	Simola Tiles LLP	Payables	14.88	27.98	-
	Varmora Sanitarywares LLP	Payables	411.70	706.48	186.43
	Covertex Ceramica Private Limited	Loan Receivable	1,753.10	1,753.10	1,490.25
	Simola Tiles LLP	Loan Receivable	2,495.00	2,495.00	-
	Simola Tiles LLP	Trade Receivable	-	111.34	-
	Covertex Ceramica Private Limited	Trade Receivable	3.91	-	-
2	<u>Associate</u>				
	Fiorenza Granito Private Limited	Payables	302.25	756.17	1,221.31
	Sentosa Granito Private Limited	Payables	-	67.68	177.71
	Avalta Granito Private Limited	Payables	161.08	45.28	33.88
	Renite Vitrified LLP	Payables	49.38	-	-
	Avalta Granito Private Limited	Loan Receivable	375.00	375.00	375.00
	Fiorenza Granito Private Limited	Loan Receivable	163.94	163.94	163.94
3	<u>Key Managerial Personnel</u>				
	Hiren .R.Varmora	Loans Repayable	-	-	39.65
	Sicer Inkera	Loans Repayable	-	-	-
	Hiren .R.Varmora HUF	Loans Repayable	-	-	15.38
	Bhavesbhai Vallabhdbhai Varmora	Loans Repayable	-	-	17.38
	Pramodkumar Parsotambhai Patel	Loans Repayable	-	-	9.55
	Hiren .R.Varmora	Trade Receivable	6.99	5.59	-
	Bhavesbhai Vallabhdbhai Varmora	Payables	0.09	-	-
	Bhavesbhai Vallabhdbhai Varmora	Liability component of compound financial instrument (NCRPS)/(RPS)	-	-	45.75
	Varmora Hireen Ramanbhai	Liability component of compound financial instrument (NCRPS)/(RPS)	-	-	20.92
	Patel Pramodkumar Parsotambhai	Liability component of compound financial instrument (NCRPS)/(RPS)	-	-	43.52
	Bhavesbhai Vallabhdbhai Varmora	Equity component of compound financial instrument (NCRPS)	13.24	13.24	91.28
	Varmora Hireen Ramanbhai	Equity component of compound financial instrument (NCRPS)	5.92	5.92	46.56
	Patel Pramodkumar Parsotambhai	Equity component of compound financial instrument (NCRPS)	12.56	12.56	88.18



Varmora Granito Private Limited
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4	<u>Relative of Key Managerial Personnel</u>				
	Ashokbhai Naranbhai Patel	Loans Repayable	-	-	5.19
	Ramanbhai Jivrajbhai Varmora	Loans Repayable	-	-	42.81
	Naranbhai Hansrajbhai Patel	Loans Repayable	-	-	71.99
	Harjivanbhai Muljibhai Detroja (UI)	Loans Repayable	-	-	18.06
	Bhavabhai Ramanbhai Varmora	Loans Repayable	-	-	104.24
	Vallabhbbhai Jivrajbhai Varmora	Loans Repayable	-	-	27.57
	Rutviben Hirenbbhai Varmora	Loans Repayable	-	-	44.21
	Bharatbhai V. Varmora	Loans Repayable	-	-	57.63
	Renukaben Ashokbhai Patel	Loans Repayable	-	-	35.62
	Nidhi Bharatkumar Zalariya	Loans Repayable	-	-	38.93
	Parshotambhai Jivrajbhai Varmora	Loans Repayable	-	-	51.38
	Bharatbhai Hargovindbbhai Zalariya	Loans Repayable	-	-	61.10
	Manishbbhai Vallabhbbhai Varmora	Loans Repayable	-	-	56.40
	Hetalben Bharatbhai Varmora	Loans Repayable	-	-	30.15
	Ranjanben Vallabhbbhai Varmora	Loans Repayable	-	-	49.03
	Godavarben H. Zalariya	Loans Repayable	-	-	5.75
	Hargovindbbhai Tribhovanbbhai Zalariya	Loans Repayable	-	-	0.53
	Zalariya B Hargovindbbhai HUF	Loans Repayable	-	-	9.00
	Dishita Pramodbhai Varmora	Loans Repayable	-	-	10.89
	Lataben Pramodbhai Varmora	Loans Repayable	-	-	6.80
	Prakashbhai Parsotambhai Patel	Loans Repayable	-	-	18.64
	Savitaben Parsotambhai Patel	Loans Repayable	-	-	10.78
	Renukaben Ashokbhai Patel	Loans Repayable	-	-	5.41
	Bharatbhai Varmora	Receivable for Sale of Goods/Services	-	1.30	-
	Bharatbhai V Varmora	Trade Receivable	10.78	2.37	-
	Manishkumar Vallabhbbhai Varmora	Trade Receivable	1.10	0.65	-
	Bharatkumar Hargovindbbhai Zalariya	Trade Receivable	0.07	-	-
	Parsotambhai Jivrajbhai Patel	Liability component of compound financial instrument (NCRPS)/(RPS)	-	-	48.35
	Varmora Manishkumar Vallabhbbhai		-	-	22.77
	Varmora Bharatbhai Vallabhddas		-	-	52.68
	Varmora Vallabhbbhai Jivrajbhai		-	-	81.57
	Varmora Bhavnaben Ramanbhai		-	-	51.30
	Varmora Ramanbhai Jivrajbhai		-	-	102.73
	Patel Ashokkumar Naranbhai		-	-	31.72
	Zalariya Nidhi Bharatkumar		-	-	49.49
	Patel Renukaben Ashokbhai		-	-	2.31
	Naranbhai Hansrajbhai Patel		-	-	10.75
	Bharatkumar Hargovindbbhai Zalariya		-	-	89.48
	Parsotambhai Jivrajbhai Patel	Equity component of compound financial instrument (NCRPS)	14.24	14.24	128.88
	Varmora Manishkumar Vallabhbbhai		7.24	7.24	58.64
	Varmora Bharatbhai Vallabhddas		14.74	14.74	143.43
	Varmora Vallabhbbhai Jivrajbhai		23.84	23.84	218.14
	Varmora Bhavnaben Ramanbhai		15.01	15.01	137.12
	Varmora Ramanbhai Jivrajbhai		30.04	30.04	274.65
	Patel Ashokkumar Naranbhai		9.52	9.52	83.87
	Zalariya Nidhi Bharatkumar		14.46	14.46	132.37
	Patel Renukaben Ashokbhai		0.62	0.62	6.40
	Naranbhai Hansrajbhai Patel		-	-	26.64
	Bharatkumar Hargovindbbhai Zalariya		26.91	26.91	116.92
5	<u>Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives</u>				
	Varmora International	Trade Receivable	-	10.69	-
	Varmora International	Payables	-	490.50	-
	I Shree Developers	Payables	-	0.08	-
	Varmora Plastech Pvt Ltd	Payables	1.60	39.96	1.97

50 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 Company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.



51 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 2024		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in mutual fund	70.97	-	-
Trade receivables	-	-	29,495.74
Cash and cash equivalents	-	-	9,113.76
Bank balances other than cash and cash equivalent	-	-	359.64
Security deposits	-	-	260.85
Other financial asset	-	-	5,723.37
Derivative financial asset	371.00	-	-
Total	441.97	-	44,953.36
FINANCIAL LIABILITIES			
Borrowings	-	-	31,938.51
Lease liabilities	-	-	1,515.07
Trade payables	-	-	17,274.35
Other financial liabilities	475.63	-	6,106.39
Total	475.63	-	56,834.32

Particulars	As at 31 March 2023		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in mutual Fund	65.24	-	-
Trade receivables	-	-	31,842.12
Cash and cash equivalents	-	-	22,468.42
Bank balances other than cash and cash equivalent	-	-	519.27
Security deposits	-	-	237.53
Other financial asset	-	-	5,477.44
Derivative financial asset	416.00	-	-
Total	481.24	-	60,544.78
FINANCIAL LIABILITIES			
Borrowings	-	-	15,999.99
Trade payables	-	-	19,685.84
Lease liabilities	-	-	912.04
Other financial liabilities	440.10	-	2,054.19
Total	440.10	-	38,652.06



Particulars	As at 1 April 2022		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in mutual Fund	62.32	-	-
Trade receivables	-	-	23,398.07
Loans	-	-	130.80
Cash and cash equivalents	-	-	2,880.53
Bank balances other than cash and cash equivalent	-	-	497.44
Security deposits	-	-	149.66
Other financial asset	-	-	3,406.58
Total	62.32	-	30,463.08
FINANCIAL LIABILITIES			
Borrowings	-	-	19,937.60
Trade payables	-	-	17,030.80
Lease liabilities	-	-	284.37
Liability towards purchase of additional interest in subsidiaries	-	-	4,402.33
Other financial liabilities	-	-	2,352.25
Total	-	-	44,007.35

52. Fair Value Hierarchy

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

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

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

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	70.97	-	-
Derivative financial asset	-	-	371.00
FINANCIAL LIABILITIES			
(a) Financial Liabilities measured at fair value through profit or loss			
Differential voting rights (DVR shares)	-	-	475.63

As at 31

Particulars	Level 1	Level 2	Level 3
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investments in mutual funds	65.24	-	-
Derivative financial asset	-	-	416.00
FINANCIAL LIABILITIES			
(a) Financial Liabilities measured at fair value through profit or loss			
Differential voting rights (DVR shares)	-	-	440.10

As at 1 April 2022

Particulars	Level 1	Level 2	Level 3
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investments in mutual funds	62.32	-	-

There have been no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2024 and 31 March 2023.



Valuation techniques and significant unobservable inputs

- (i) The Company has issued non-cumulative redeemable preference Shares (NCRPS) / redeemable preference Shares (RPS) which are fair valued by discounting the future cash flow by using the discount rate of 8% p.a.
- (ii) 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:	25 August 2023	31 March 2023	31 March 2024
Number of periods to Exercise in years (t)	2.50	1.90	0.90
Risk-Free Interest Rate (rf)	6.90%	6.90%	6.90%
Volatility	42.40%	35.20%	33.20%
Call Option Price	1,478.00	416.00	371.00

- (iii) 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 Rs. 1,467 per equity share 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%.

53 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 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	11,635.76	11,563.20	72.56	-	11,635.76
Non-current borrowings	20,302.75	20,171.30	131.45	-	20,302.75

The exposure of the company's financial instruments as at 31 March 2023 to interest rate risk is as follows:

Particulars	As at 31 March 2023	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial liabilities					
Current borrowing	12,368.62	11,872.48	496.14	-	12,368.62
Non-current borrowings	3,631.37	3,536.41	94.96	-	3,631.37

The exposure of the company's financial instruments as at 1 April 2022 to interest rate risk is as follows:

Particulars	As at 1 April 2022	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial liabilities					
Current borrowing	15,934.27	11,411.26	120.68	4,402.33	15,934.27
Non current borrowings	8,405.66	6,172.40	2,233.26	-	8,405.66



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 2024	As at 31 March 2023	As at 1 April 2022
1 % increase would decrease the profit before tax by*	(317.34)	(154.09)	(175.84)
1 % decrease would increase the profit before tax by*	317.34	154.09	175.84

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

(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) and Euro. Consequently, the Company is exposed to the risk that the exchange rate of the Indian Rupees (INR) relatively to USD and Euro 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 2024		As at 31 March 2023		As at 1 April 2022	
	Receivable/ (Payable) in in Foreign currency	Receivable/ (Payable) in ₹	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) in ₹	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable) in ₹
EUR	35.07	3,163.78	10.76	963.82	2.45	207.71
USD	91.86	7,634.61	103.30	8,492.75	68.43	5,187.41
RUB	11.71	10.54	-	-	-	-

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.

Particulars	Increase			Decrease		
	31 March 2024	31 March 2023	1 April 2022	31 March 2024	31 March 2023	1 April 2022
Sensitivity						
EUR/INR	158.19	48.19	10.39	(158.19)	(48.19)	(10.39)
USD/INR	381.71	424.64	259.37	(381.71)	(424.64)	(259.37)
RUB/INR	0.52	-	-	(0.52)	-	-



(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.

Ageing	Not due	0-90 days	90-180 days	180-270 days	271-360 days	361 and above	Total
Gross	19,694.13	8,110.64	3,172.32	707.81	830.76	3,341.55	35,857.21
Carrying							
Expected credit losses (loss allowance provision)							(6,361.47)
Carrying amount of trade receivables (net of impairment)							29,495.74

Ageing	Not due	0-90 days	90-180 days	180-270 days	271-360 days	361 and above	Total
Gross	22,197.50	8,452.51	1,967.48	1,367.55	466.48	1,964.57	36,416.10
Carrying							
Expected credit losses (loss allowance provision)							(4,573.98)
Carrying amount of trade receivables (net of impairment)							31,842.12

Ageing	Not due	0-90 days	90-180 days	180-270 days	271-360 days	361 and above	Total
Gross	16,179.89	7,259.45	779.27	491.10	357.60	1,752.67	26,819.98
Carrying							
Expected credit losses (loss allowance provision)							(3,421.92)
Carrying amount of trade receivables (net of impairment)							23,398.06

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

	Ended 31 March 2024	For the Year Ended 31 March 2023
Opening Provision	4,573.98	3,421.92
Add: Adjustments during the year	1,787.49	1,152.06
Closing provision	6,361.47	4,573.98

(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 2024					
Borrowings	31,938.51	11,635.76	13,544.48	6,758.27	31,938.51
Lease liabilities	1,515.07	181.01	325.39	1,019.63	1,515.08
Trade payables	17,274.35	17,274.35	-	-	17,274.35
Other financial liabilities	6,582.02	6,106.39	475.63	-	6,582.02
Total	57,309.95	35,197.51	14,345.50	7,777.90	57,309.96
As at 31 March 2023					
Borrowings	15,999.99	12,368.62	3,631.37	-	15,999.99
Lease liabilities	912.04	174.71	501.88	235.56	912.04
Trade payables	19,685.84	19,685.84	-	-	19,685.84
Other financial liability	2,494.27	2,054.17	440.10	-	2,494.27
Total	39,092.14	34,283.34	4,573.35	235.56	39,092.14
As at 1 April 2022					
Borrowings	24,339.93	15,934.27	8,354.84	50.82	24,339.93
Lease liabilities	284.37	61.95	190.41	32.28	284.38
Trade payables	17,030.80	17,030.80	-	-	17,030.80
Other financial liabilities	2,352.26	2,165.15	187.11	-	2,352.26
Total	44,007.36	35,192.17	8,732.36	83.10	44,007.37



54 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 2024	As at 31 March 2023	As at 1 April 2022
Equity share capital	3,996.56	1,332.19	998.67
Instruments entirely equity in nature	1,757.59	1,757.59	-
Other equity	63,391.57	61,483.37	19,509.74
Total equity (i)	69,145.72	64,573.15	20,508.41
Borrowings	31,938.51	15,999.99	24,339.93
Lease liabilities	1,515.07	912.04	284.37
Less: cash and cash equivalents	(9,113.76)	(22,468.41)	(2,880.53)
Less: Bank balance other than cash and cash equivalents	(359.64)	(519.27)	(497.44)
Net Debt (ii)	23,980.18	(6,075.65)	21,246.33
Gearing ratio ((ii)/(i))	34.68	(9.41)	103.60

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2024, 31 March, 2023 and 1 April, 2022.

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55 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 Merboys Private Limited (NMPL), Solaris Ceramics Private Limited (SCPL), Tocco Ceramics Private Limited (TCPL) and Varmora Ceramics Private Limited (VCPL) [collectively referred to as the "Transferor Companies"] with Varmora Granito Private Limited (VGPL) ("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 and accordingly, the comparative financial information for the year ended 31 March 2023 and the opening balance sheet as at 1 April 2022 have been restated as if the aforesaid business combination had occurred from the date the entities have been under common control.

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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	161.46	3,768.22	2,250.88	1,011.18	8,340.32
Capital work in progress	-	314.31	-	-	-
Right-to-use asset	3.85	7.48	9.26	-	-
Intangible assets	-	-	2.90	-	31.00
Financial assets					
(i) Investments	-	955.55	62.32	-	-
(ii) Other financial assets	46.37	0.19	14.25	20.49	116.10
(iii) Loans	-	130.80	-	-	-
Deferred tax assets	-	-	-	82.75	-
Other non-current assets	-	45.42	-	-	0.33
Inventories	-	1,095.96	1,532.25	2,050.42	2,105.10
Financial assets					
(i) Trade receivables	-	4,659.76	3,527.65	2,501.71	2,494.76
(ii) Cash and cash equivalents	64.11	6.33	16.55	50.35	17.82
(iii) Other bank balances	-	163.36	14.37	32.38	130.14
(iv) Other financial assets	1.77	231.34	0.67	6.51	22.02
(iv) Loans	-	-	-	-	-
Current tax asset	3.26	-	-	-	(6.21)
Other current assets	7.05	89.26	364.13	98.75	135.49
Total	287.87	11,467.98	7,795.23	5,854.54	13,386.88
Less: liabilities					
Financial liabilities					
(i) Borrowings	-	1,413.76	275.22	338.97	4,753.74
(ii) Lease liabilities	3.53	7.37	9.14	-	-
(iii) Other financial liabilities	-	-	-	-	187.11
Provisions	-	42.82	26.57	77.78	19.65
Financial liabilities					
(i) Borrowings	-	1,851.56	1,902.89	968.76	2,092.82
(ii) Lease liabilities	0.32	0.10	0.12	-	-
(iii) Trade payables	1.00	2,169.42	2,218.03	1,189.48	2,240.91
(iv) Other financial liabilities	0.15	81.64	167.65	312.50	111.92
Other Current liabilities	-	118.97	235.19	148.88	223.10
Contract liabilities	-	2.36	-	67.38	89.08
Provisions	-	3.68	1.80	1.09	0.10
Deferred Tax liabilities (net)	14.65	247.63	20.28	-	(258.85)
Tax Liabilities	-	-	1.07	41.80	-
Total	19.65	5,939.31	4,857.96	3,146.64	9,459.58
Other equity	68.23	4,528.64	2,337.27	1,957.90	810.89
Equity share capital (A)	200.00	1,000.03	600.00	750.00	1,292.22
Non-controlling Interest (B)	-	1,738.78	937.48	1,363.86	349.33
Investment in common control entities(C)	238.16	1,167.88	1,211.46	490.65	1,129.40
Adjustments on account of common control transaction((C-(A-B))	38.16	1,906.63	1,548.94	1,104.50	186.51



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	153.39	3,520.14	2,025.97	919.12	7,234.96
Capital work in progress	-	-	-	-	-
Right-to-use asset	3.70	7.19	8.91	-	92.06
Intangible assets	-	-	-	-	19.74
Financial assets	-	-	-	-	-
(i) Investments	-	-	65.24	-	111.00
(ii) Other financial assets	63.90	0.19	15.07	25.38	122.34
(iii) Loans	-	-	-	-	-
Deferred tax assets	(22.23)	(93.70)	(27.60)	147.97	108.20
Other non-current assets	-	1.14	-	-	0.33
Inventories	1,720.77	1,418.05	1,663.74	3,022.33	2,385.38
Financial assets					
(i) Trade receivables	2,166.66	4,312.35	1,703.46	2,871.55	4,374.70
(ii) Cash and cash equivalents	3.06	3.46	13.31	3.42	10.24
(iii) Other bank balances	-	170.85	21.19	27.56	134.23
(iv) Other financial assets	2.25	18.34	0.84	6.46	8.40
(iv) Loans	-	-	-	-	-
Current tax asset	-	-	-	-	-
Other current assets	84.20	53.46	75.12	55.33	163.50
Total	4,175.70	9,411.47	5,565.25	7,079.12	14,765.09
Less: liabilities					
Financial liabilities					
(i) Borrowings	1,410.00	585.19	20.34	1,537.70	3,582.22
(ii) Lease liabilities	3.48	7.27	9.00	-	51.33
(iii) Other financial liabilities	-	-	-	-	-
Provisions	15.42	14.35	7.34	43.86	20.30
Deferred Tax Liabilities (net)	-	-	-	-	-
Financial liabilities					
(i) Borrowings	454.70	1,595.19	1,452.55	1,121.76	2,635.60
(ii) Lease liabilities	0.32	0.11	0.13	-	39.86
(iii) Trade payables	1,382.05	1,204.80	1,269.06	1,414.02	3,345.29
(iv) Other financial liabilities	48.69	40.68	122.13	272.63	112.72
Contract liabilities	40.34	-	-	38.54	34.42
Other current liabilities	17.44	151.43	225.15	129.37	277.11
Provisions	1.47	2.35	0.90	3.93	2.80
Current tax liabilities (net)	(26.82)	48.54	52.89	145.22	122.71
Tax Liabilities					
Total	3,347.09	3,649.91	3,159.49	4,707.03	10,224.36
Other equity	628.65	4,093.89	1,952.12	1,800.94	1,887.17
Equity Share capital (A)	200.00	1,667.67	453.64	571.15	2,234.92
Investment in common control entities(B)	238.16	2,167.89	1,605.06	1,605.00	2,516.46
Adjustment on account of common control transaction (B-A)	38.16	500.22	1,151.42	1,033.85	281.54

56 During the financial year 2022-23, the Company has acquired remaining interest in the subsidiaries against the payment of Rs. 4,402.33 Lakhs 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	-	983.91	1,124.95	1,849.12	444.36



57 Revenue from Contracts with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation

(i)	Particulars	For the Year	For the Year
		Ended 31 March 2024	Ended 31 March 2023
	Sale of products		
	Tiles	127,192.77	120,451.05
	Insurance Charges Collected on Sales	445.94	352.59
	Sale from RoDTEP License Income	275.54	215.34
	Export Duty Draw Back	485.45	378.32
	Total	128,399.70	121,397.30

(ii)	Geographical markets	For the Year	For the Year
		Ended 31 March 2024	Ended 31 March 2023
	India	99,532.41	98,414.21
	Outside India	28,867.29	22,983.09
	Total	128,399.70	121,397.30

(iii)	Timing of revenue recognition	For the Year	For the Year
		Ended 31 March 2024	Ended 31 March 2023
	At a point in time	128,399.70	121,397.30
	Total	128,399.70	121,397.30

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 group's obligation to transfer goods or services to customer for which the group has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the group performs under the contract. Contract liabilities are presented under Advances from Customers in the note 31 of the standalone financial statements.

Assets and liabilities related to contracts with customers

	As at 31 March 2024	As at 31 March 2023
Trade receivables	29,495.74	31,842.12
	29,495.74	31,842.12
Contract liabilities at the beginning of the year	820.81	1,109.74
Deferred / (Released) to the income statement, net	(124.53)	288.93
Contract liabilities at the end of the year	945.34	820.81

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

	Ended 31 March 2024	Ended 31 March 2023
Revenue as per contract	131,759.64	124,322.26
Adjustments	3,359.94	2,924.96
Revenue from contract with customers	128,399.70	121,397.30

58 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

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.

59 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 Rs.91.37 Lakhs (2023: Rs.47.67 Lakhs)
- (b) Amount spent during the year on -

Nature	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
a) Gross amount to be spent by the company during the year	91.37	47.67
b) Amount brought forward from the previous year	28.13	-
c) Amount spent by the company:		
(i) Construction/Acquisition of assets	-	-
(ii) Purpose other than (i)	120.34	75.80
d) Amount unspent	-	-
e) Excess amount carried forward	57.10	28.13

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60 Ratios

Sl.	Particulars	Numerator	Denominator	31 March 2024	31 March 2023	Variance	Reason
i	Current ratio	Current assets	Current liabilities	1.68	2.08	-18.97%	N/A
ii	Debt-Equity Ratio	Total Debt(1)	Shareholder's Equity	0.48	0.26	84.73%	Primarily on account of increase in borrowings
iii	Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	1.70	4.14	-58.92%	During the year the company has repaid the borrowings which has lead to decrease in the ratio
iv	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.06	0.11	-42.19%	Primarily on account of increase in shareholders equity
v	Inventory turnover ratio	Cost of goods sold(4)	Average Inventory	4.88	4.93	-1.14%	N/A
vi	Trade receivables turnover ratio	Revenue	Average Trade Receivable	4.19	4.40	-4.75%	N/A
vii	Trade payables turnover ratio	Purchases and other expenses(5)	Average Trade Payables	4.94	4.84	2.20%	N/A
viii	Net capital turnover ratio	Revenue	Working Capital	5.12	3.08	66.42%	Primarily on account of decrease in working capital
ix	Net profit ratio	Net Profit	Revenue	0.03	0.04	-14.10%	N/A
x	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(6)	0.08	0.13	-41.65%	Primarily on account of increase in borrowings
xi	Return on Investment(ROI)	Income generated from bank deposits	Average investments (7)	1.95	3.70	-47.39%	Primarily on account of Increase fixed deposits

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

- 61 The Ministry of Corporate Affairs (MCA) has prescribed a new 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 uses accounting software for maintenance of books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the accounting software, however, the audit trail feature was not enabled at database level for both the accounting software 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.

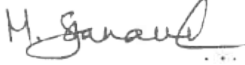


Varmora Granito Private Limited
Notes to Standalone Financial Statements
(Amount in ₹ in Lakhs, unless otherwise stated)

62 Previous Year Comparatives

Previous years figures have been regrouped / reclassified wherever necessary, to confirm to this year's classification.
The accompanying notes are an integral part of these standalone financial statements

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



Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617

Place: Ahmedabad
Date: 23 September 2024

For and on behalf of the Board of Directors
Varmora Granito Private Limited



Bhavesh Varmora
Director
DIN: 02718600
Place: Ahmedabad



Nilesh Sharma - ACS
Company Secretary
M.No. 32273
Place: Ahmedabad
Date: 23 September 2024



Pramodkumar Patel
Director
DIN: 01935197
Place: Ahmedabad

