



O. P. BAGLA & CO.

CHARTERED ACCOUNTANTS

Phone : 2 6 4 3 6 1 9 0
2 6 4 1 2 9 3 9
2 6 2 3 9 9 1 3

Fax : 011-26239912

E-mail : admin@opbco.in

Website : www.opbco.in

8/12, KALKAJI EXTENSION
NEW DELHI - 110019

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
KAJARIA SANITARYWARE PRIVATE LIMITED
NEW DELHI**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KAJARIA SANITARYWARE PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers





O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS

Phone : 2 6 4 3 6 1 9 0
2 6 4 1 2 9 3 9
2 6 2 3 9 9 1 3
Fax : 011-26239912
E-mail : admin@opbco.in
Website : www.opbco.in

8/12, KALKAJI EXTENSION
NEW DELHI - 110019

internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015,
- b) In case of Statement of Profit & Loss of the company for the year ended 31st March 2015 of its loss for the year,
- c) In case of Cash Flow Statement of cash flow of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2015' ("the order"), issued by the Central Government of India in terms of sub section 11 of Section 143 of the Companies Act, 2015, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report 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 purposes of our audit.
- (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.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





O. P. BAGLA & CO.

CHARTERED ACCOUNTANTS

Phone : 2 6 4 3 6 1 9 0
2 6 4 1 2 9 3 9
2 6 2 3 9 9 1 3

Fax : 011-26239912

E-mail : admin@opbco.in

Website : www.opbco.in

8/12, KALKAJI EXTENSION
NEW DELHI - 110019

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For O P BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

(RAKESH KUMAR)
PARTNER
M. No. 087537

PLACE : NEW DELHI

DATED : 25/04/15





O. P. BAGLA & CO.

CHARTERED ACCOUNTANTS

Phone : 2 6 4 3 6 1 9 0
2 6 4 1 2 9 3 9

2 6 2 3 9 9 1 3

Fax : 011-26239912

E-mail : admin@opbco.in

Website : www.opbco.in

8/12, KALKAJI EXTENSION
NEW DELHI - 110019

**ANNEXURE TO THE AUDITORS' REPORT OF KAJARIA SANITARYWARE
PRIVATE LIMITED**

1. a) As informed to us the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As informed to us these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. (a) As informed to us physical verification of inventory has been conducted at reasonable intervals by the management.

(b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion the company is maintaining proper records of inventory. As informed to us no material discrepancies were noticed on physical verification. As explained to us the discrepancies noticed have been properly dealt with in the books of account.
3. During the year the company has not granted any loans, **secured or unsecured** to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act.
4. In our opinion there is adequate internal control system commensurate with the size of the company and the nature of its business, fixed assets and for the sale of goods and services. There is no continuing failure which needs to be corrected in internal control system of the company.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. In respect of business activities of the company maintenance of cost records has not been specified by the Central Government under sub-section (I) of section 148 of the Companies Act and as such, accounts and records prescribed under such law are not required to be maintained by the company.
7. a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities *except* minor delays in payment of service tax. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.





O. P. BAGLA & CO.

CHARTERED ACCOUNTANTS

Phone : 26436190
26412939
26239913
Fax : 011-26239912
E-mail : admin@opbco.in
Website : www.opbco.in

8/12, KALKAJI EXTENSION
NEW DELHI - 110019

- b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (c) No amount were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. Since the company has been registered for a period less than five years, clause related to accumulated losses of the company at the end of the financial year incurrance of cash losses in financial year under audit and in the immediately preceding financial year is not applicable as referred in clause (viii) of the Order.
9. As informed to us repayment in respect of loans obtained by the company from bank has not been commenced till 31st March 2015 hence clause (ix) of the Order is not applicable for the year under audit.
10. The company has not given any guarantee for loans taken by others from bank or financial institutions.
11. As informed to us the terms loans obtained by the company have been applied for the purpose for which the same have been obtained.
12. Based upon the audit procedures and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit for the year ended 31st March, 2015.

For O P BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

(RAKESH KUMAR)
PARTNER
M. No. 087537

PLACE : NEW DELHI
DATED : 25/04/15



KAJARIA SANITARYWARE PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2015

PARTICULARS	Note	AS AT 31.3.2015	AS AT 31.3.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	126,000,000	50,000,000
Reserves and surplus	3	(1,607,083)	(1,348,170)
		124,392,917	48,651,830
Share Application Money - Pending Allotment		0	3,750,000
Non-Current Liabilities			
Long Term Borrowings	4	143,152,687	156,011,510
Current liabilities			
Short term Borrowings	5	93,524,370	0
Trade payables	6	35,590,919	8,825,353
Other Current Liabilities	7	42,823,134	8,177,751
Short Term Provisions	8	236,142	14,219
		172,174,565	17,017,323
TOTAL		439,720,169	225,430,663
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	257,836,744	21,426,284
Intangible assets	10	565,554	0
Capital Work In Progress	11	0	161,778,131
Long Term Loans and advances	12	1,187,420	30,180,715
		259,589,718	213,385,130
Current assets			
Inventories	13	100,600,944	0
Trade receivables	14	60,777,347	0
Cash and bank balances	15	6,167,820	3,497,802
Short-term loans and advances	16	12,312,698	8,495,706
Other Current Assets	17	271,641	52,025
		180,130,450	12,045,533
TOTAL		439,720,169	225,430,663

SIGNIFICANT ACCOUNTING POLICIES

1

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

In terms of our report of even date annexed
FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
 Firm Regn. No. 000018N

PLACE : NEW DELHI

DATED : 25/04/15



(Signature)
PARTNER

(Signature)
DIRECTOR

(Signature)
DIRECTOR

KAJARIA SANITARYWARE PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2015

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2015	FOR THE YEAR ENDED 31.3.2014
Revenue			
REVENUE FROM OPERATIONS			
Sales	18	164,095,808	0
Less: Excise Duty		23,035,718	0
		<u>141,060,089</u>	<u>0</u>
Other income	19	340,404	57,806
Total Revenue		141,400,493	57,806
Expenses:			
Cost of Material Consumed	20	22,099,414	0
Purchase of Traded Goods		38,743,639	0
Changes in inventory	21	(87,992,291)	0
Employee Benefit Expense	22	45,160,914	0
Finance Cost	23	27,414,020	0
Depreciation & Amortisation	11	13,063,193	0
Manufacturing, Administrative and Other Expenses	24	83,149,906	891,831
Total expenses		141,638,794	891,831
Profit (Loss) before exceptional and extraordinary items & tax		(238,301)	(834,025)
Provision for Income Tax			
Current Tax			
- For Current Year		0	20,000
- For Previous Year		20,612	
Profit (Loss) for the year		(258,913)	(854,025)
Earnings (Loss) per Share - Basic & Diluted		(0.03)	(0.41)

SIGNIFICANT ACCOUNTING POLICIES

1

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

In terms of our report of even date annexed

FOR O P BAGLA & CO
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

Ram K. Kumar
PARTNER

Manoj Kumar
DIRECTOR

Manoj Kumar
DIRECTOR

PLACE : NEW DELHI

DATED : 25/04/15



KAJARIA SANITARYWARE PRIVATE LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED ON 31-03-2015

PARTICULARS	YEAR ENDED 31-03-2015	YEAR ENDED 31-03-2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(238,301)	(834,025)
Adjusted for :		
Depreciation	13,063,193	0
Interest Received	(307,834)	(57,806)
Interest paid	27,414,020	
	40,169,379	(57,806)
Operating Profit before Working Capital Changes	39,931,078	(891,831)
Adjusted for :		
Trade & Other Receivables	(64,813,955)	(38,687,197)
Inventories	(100,600,944)	(1,746,249)
Trade & Other Payables	61,632,872	44,119,301
	(103,782,027)	3,685,855
Cash Generated from Operations	(63,850,949)	2,794,024
Interest Paid	(27,414,020)	0
	(27,414,020)	0
Tax Paid	20,612	5,781
Net Cash from operating activities	(91,285,581)	2,788,243
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(88,261,076)	(4,284,466)
Increase in Capital Work in Progress		(159,839,653)
Interest Received	307,834	57,806
Net Cash used in Investing Activities	(87,953,242)	(164,066,313)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured loans/(Repayments)	80,665,546	106,430,510
Proceeds from Issuance of Share Capital	76,000,000	49,800,000
Proceeds from Share Application Money	(3,750,000)	3,750,000
Increase/(Decrease) in Non Current Assets	28,993,295	0
Net Cash used in Financing Activities	181,908,841	159,980,510
Net increase in Cash and Cash Equivalents	2,670,019	(1,297,561)
Cash and Cash Equivalents as at Opening	997,802	2,295,362
Cash and Cash Equivalents as at Closing	3,667,820	997,802
Components of Cash and Cash Equivalents		
Balances with banks	1,883,971	906,195
Cash on hand	1,783,849	91,607
Total	3,667,820	997,802

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
For O.P. BAGLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO 000018N

PLACE : NEW DELHI
DATED : 25/04/15



(Signature)
PARTNER

(Signature)
DIRECTOR

(Signature)
DIRECTOR

KAJARIA SANITARYWARE PRIVATE LIMITED

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The company has prepared its financial statements in accordance with generally accepted accounting principles and also in accordance with the requirement of mandatory accounting standards and the provisions of the Companies Act, 2013.

2. Revenue Recognition

All income and expense are accounted for on accrual basis. Sales are inclusive of excise duty and after deducting VAT and discounts.

3. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of freight, incidental expenditure incurred on acquisition/installation. Excise input credit on the same is carried over as current assets.

4. Depreciation

Depreciation has been provided on the Straight Line Method basis over the useful life of the assets as provided in Schedule II of the Companies Act, 2013.

5. Inventories:

Inventories are valued on the following basis:

- a) Stores and Spares - at Cost.
- b) Raw Materials - at Cost.
- c) Work-in-Process - at estimated cost
- d) Finished Goods - at lower of estimated cost or estimated realisable value. (Keeping in view diversification in products and sizes, stock is valued at estimated cost adopted by management)
- e) Stock in trade - at lower of cost or estimated realisable value.
- f) Material in Transit – at cost.

6. Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year- end are restated at year end rates, except in cases covered by forward exchange contracts.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.



7. **Employee Benefits**
Employees benefits accrued related to services rendered during the year have been paid/provided on the basis of eligibility of the employee as at the end of the year.
8. **Borrowing Cost**
Borrowing cost including allied expenses incurred during construction period are considered as cost for the acquisition of qualifying assets are included in Statement of Expenditure during Construction Period in terms of provisions of Accounting Standard – 16 on “Borrowing Costs” issued by the Institute of Chartered Accountants of India.
9. **Segmental Reporting:**
The company is dealing in only one segment of sanitary ware items in India hence segmental reporting under Accounting Standard – 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India are not applicable.
10. **Taxation**
Deferred tax liability/asset is recognised on the timing differences between books and income tax records. Deferred tax asset is recognised only on virtual certainty of availability of future profits for setting off the same.
Current tax is recognised on basis of applicable tax rates.
11. **Contingent Liabilities**
Contingent liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.
12. Unless specifically stated to be otherwise, these policies are consistently followed.



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31.3.2015	AS AT 31.3.2014
-------------	-----------------	-----------------

Note No. 2

SHARE CAPITAL

EQUITY SHARE CAPITAL

AUTHORISED

1,50,00,000 shares of par value of Rs.10/- each (Previous year 1,50,00,000 shares of par value of Rs.10/- each)	150,000,000	150,000,000
--	--------------------	-------------

ISSUED, SUBSCRIBED AND FULLY PAID-UP

1,26,00,000 shares of par value of Rs.10/- each (Previous year 50,00,000 shares of par value of Rs.10/- each)	126,000,000	50,000,000
--	--------------------	------------

NOTES:

- a) During the year, the company has issued 76,00,000 shares. However the company has not bought back any share during the year. Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year.

PARTICULARS	AS AT 31.3.2015	AS AT 31.3.2014
Number of shares outstanding as at the beginning of the year	5,000,000	20,000
Number of shares issued during the year	7,600,000	4,980,000
Number of shares outstanding as at the closing of the year	12,600,000	5,000,000

- b) The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights at the meetings of shareholders.
- c) Kajaria Ceramics Ltd is a ultimate holding company of the company and Kajaria Bathware Pvt Ltd is a holding company of the company. Shares held by such holding company are mentioned in (d) hereunder. There is no subsidiary company.
- d) Following share holders held more than 5% shares in the company as at the end of the year:

Name of Shareholder	No of shares held (%)	No of shares held (%)
Kajaria Bathware Pvt Ltd.	80,64,000 (64.00)	-
Kajaria Ceramics Ltd.	-	32,00,000 (64.00)
Ajay Kumar Maganbhai Marvania	9,20,000 (7.30)	4,90,000 (9.80)

- e) The company has not issued bonus shares or shares for a consideration other than cash or bonus shares since its incorporation.



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
-------------	-----------------	-----------------

Note No. 3 to the Financial Statements

RESERVES AND SURPLUS

Surplus

As per Last Balance Sheet	(1,348,170)	(494,145)
Profit (Loss) for the year from Statement of Profit & Loss	(258,913)	(854,025)
Total	(1,607,083)	(1,348,170)

Note No. 4 to the Financial Statements

LONG-TERM BORROWINGS

From Banks- (Secured)

1. Indian Rupee Term Loan

	143,055,442	106,153,619
--	-------------	-------------

Secured against Hypothecation of entire Machinery, Electrical Installations, Furniture & Fixtures and other movable fixed assets present & future, situated at factory at Morbi of the Company. Rate of Interest is 2.4% above the base rate (Presently 12.65%). The loan is repayable in 53 monthly installments of Rs 32.40 lacs each and 54th installment of Rs. 32.80 lacs w.e.f. July 2015 till Feb 2020. Loan is partially drawn as at the end of the year.

Above loan is further secured by Equitable mortgage of Factory Land and building situated at Village Shapar, Morbi and Equitable mortgage of Residential house situated at Village Jodhapar, Morvi belonging to a promoter of the company.

Above loan is further secured by guarantee of Ultimate Holding Company, Directors and Shareholders of the Company.

2. Against Hypothecation of Vehicles

	97,245	276,891
--	--------	---------

Secured against Hypothecation of respective vehicle/equipment. The loan is repayable in 36 monthly installments till Sept. 2016. The loan are availed at interest @ 14% pa.

UNSECURED LOAN

Loan from related party- Unsecured*	0	49,581,000
-------------------------------------	---	------------

TOTAL

143,152,687	156,011,510
--------------------	--------------------

NOTES:

There are no defaults in repayment of above loan and interest thereon.

* Represent amount borrowed from

M/s Kajaria Ceramics Ltd - Ultimate Holding Company. Bearing interest @ 12% p.a.



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
-------------	-----------------	-----------------

Note No. 5 to the Financial Statements

SHORT TERM BORROWINGS

Loans Repayable on Demand

Cash Credit Facility- Secured

From Bank

	51,594,869	0
--	------------	---

UNSECURED LOAN

Loan from related party- Unsecured*

* Represent amount borrowed from

M/s Kajaria Ceramics Ltd - Ultimate Holding Company. Bearing interest @ 12% p.a.

	41,929,501	0
--	------------	---

	93,524,370	0
--	------------	---

NOTES:

Secured against Hypothecation of entire raw materials, stock in process, stores & spares, packing materials, finished goods and book debts of the company, both present & future. Rate of interest is 2.25% above the base rate (Presently 12.65%).

Above loan is further secured by Equitable mortgage of Factory Land and building situated at Village Shapar, Morvi and Equitable mortgage of Residential house situated at Village Jodhapar, Morvi belonging to a promoter of the company.

Above loan is further secured by guarantee of Ultimate Holding Company, Directors and Shareholders of the Company.

Note No. 6 to the Financial Statements

TRADE PAYABLES

For capital expenditure

	975,713	7,293,582
--	---------	-----------

For Goods & Services

	29,583,745	0
--	------------	---

For others

	5,031,461	1,531,771
--	-----------	-----------

Total

	35,590,919	8,825,353
--	------------	-----------

a) 'The amount payable to Micro and Small Enterprises under MSMED Act 2006 is:

NIL

NIL



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
-------------	-----------------	-----------------

Note No. 7 to the Financial Statements

OTHER CURRENT LIABILITIES

Current maturities of long term debts	29,337,636	153,033
Advance from Customers	3,172,709	0
Security Deposits from Dealers	800,000	0
Other Payables*	9,512,789	8,024,718
Total	42,823,134	8,177,751

* It includes amount payable towards :

-Statutory dues	8,499,831	74,718
Key Management Personnel- Ajay Kumar Magan Bhai	0	2,150,000

Note No. 8 to the Financial Statements

SHORT TERM PROVISION

Provision for Earned Leave

Provided during the year	236,142	0
Total	236,142	0

Provision for Income Tax

As per Last Balance Sheet	14,219	0
Addition during the year	0	20,000
Adjustment	20,612	0
Tax Paid	(34,831)	(5,781)
Total	0	14,219
	236,142	14,219



KAJARIA SANITARYWARE PRIVATE LIMITED

Note No. 9 to the Financial Statements

FIXED ASSETS

TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	Additions	Sale/Adj	AS AT	For the	Sale/Adj	AS AT	AS AT	AS AT	AS AT
	01/04/2014		-ustment	31.03.2015	Year	-ustment	31.03.2015	31.03.2015	31.03.2015	31/03/2014
Land- Free Hold	18,616,117	0	0	18,616,117	0	0	0	0	18,616,117	18,616,117
Building	0	110,469,588	0	110,469,588	3,281,489	0	3,281,489	0	107,188,099	0
Plant & Machinery	0	134,177,733	0	134,177,733	9,047,872	0	9,047,872	0	125,129,861	0
Electrical Installation	0	1,757,590	0	1,757,590	132,243	0	132,243	0	1,625,347	0
Air conditioner	0	110,500	0	110,500	8,338	0	8,338	0	102,162	0
Lab. Equipments	0	100,203	0	100,203	9,323	0	9,323	0	90,880	0
Generators	0	2,226,565	0	2,226,565	73,912	0	73,912	0	2,152,653	0
Furniture & Fixtures	1,048,104	291,003	0	1,339,107	117,756	0	127,684	0	1,211,423	1,038,176
Vehicle	1,677,360	21,000	0	1,698,360	268,634	0	268,982	0	1,414,378	1,662,012
Computers	132,701	297,025	0	429,726	101,179	0	123,901	0	305,825	109,979
CURRENT YEAR	21,474,282	249,451,207	0	270,925,489	13,040,747	0	13,088,745	0	257,836,744	21,426,284
PREVIOUS YEAR	17,189,816	4,284,466	0	21,474,282	47,977	0	47,998	0	21,426,284	17,189,795

Note No. 10 to the Financial Statements

FIXED ASSETS

INTANGIBLE ASSETS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	AS AT	Additions	Sale/Adj	AS AT	For the	Sale/Adj	AS AT	AS AT	AS AT	AS AT
	01/04/2014		-ustment	31/03/2015	Year	-ustment	31.03.2015	31.03.2015	31.03/2015	31/03/2014
SOFTWARE	0	588,000	0	588,000	22,446	0	22,446	0	565,554	0
CURRENT YEAR	0	588,000	0	588,000	22,446	0	22,446	0	565,554	0
PREVIOUS YEAR	0	0	0	0	0	0	0	0	0	0

Note No. 11 to the Financial Statements

CAPITAL WORK-IN-PROGRESS

DESCRIPTION	As at	Additions	Capitalized	Amount transf'd	As at
	01.04.2014			to raw material	31.3.2015
Buildings	78,351,134	0	78,351,134	0	0
Plant & Machinery	62,313,126	0	62,313,126	0	0
Electrification & Cabling	919,778	0	919,778	0	0
Expenses during construction period	20,194,093	154,416	18,602,215	1,746,294.00	0
CURRENT YEAR	161,778,131	154,416	160,186,253	1,746,294	0
PREVIOUS YEAR	1,890,501	159,887,630	0	0	161,778,131



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
-------------	-----------------	-----------------

Note No. 12 to the Financial Statements

LONG TERM LOANS & ADVANCES

(Unsecured Considered good, unless otherwise stated)

CAPITAL ADVANCES

Unsecured	0	28,938,295
Security Deposits	1,187,420	1,242,420

TOTAL

1,187,420	30,180,715
-----------	------------

Note No. 13 to the Financial Statements

INVENTORIES

(As taken Valued and Certified by Management)

Raw Materials	10,598,003	0
Finished Goods	73,605,528	0
Stock in Trade	14,386,763	0
Stores Spares & other materials	2,010,650	0

100,600,944	0
-------------	---

(Inventories have been valued in accordance with accounting policy no. 2 as referred in Note No.1)



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
-------------	-----------------	-----------------

Note No. 14 to the Financial Statements

TRADE RECEIVABLES (UNSECURED)

i) Considered Good		
- Debts outstanding over six months	745,369	0
- Other Debts	60,031,978	0
	60,777,347	0

Note No. 15 to the Financial Statements

CASH & BANK BALANCES

CASH & CASH EQUIVALENTS		
Balances with banks	1,883,971	906,195
Cash on hand	1,783,849	91,607
	3,667,820	997,802
OTHER BANK BALANCES		
Bank deposits with more than three months maturity - Held as security against bank guarantee	2,500,000	2,500,000
Total	6,167,820	3,497,802

Note No. 16 to the Financial Statements

SHORT TERM LOANS AND ADVANCES

(Unsecured Considered good, unless otherwise stated)

ADVANCES		
Contractors & Suppliers	1,115,367	0
Balance with Revenue Authorities	11,004,674	8,495,706
Prepaid Expenses	192,657	0
Total	12,312,698	8,495,706

Note No. 17 to the Financial Statements

OTHER CURRENT ASSETS

Interest accrued on Term Deposits	271,641	52,025
	271,641	52,025



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
Note No. 18 to the Financial Statements		
SALES		
Sale of Sanitaryware Items		
- Manufacturing	123,842,158	0
- Trading	38,586,182	0
Scrap Sales	313,900	0
Handling Charges	1,353,568	0
Total	164,095,808	0

Note No. 19 to the Financial Statements

OTHER INCOME

Interest

'-From Banks on deposits	243,326	57,806
'-From Security Deposits	64,508	0
Gain on Exchange variation	32,570	0
Total	340,404	57,806

Note No. 20 to the Financial Statements

COST OF MATERIAL CONSUMED

Amount Transferred from Trial Run*	1,746,294	0
Add : Purchases	30,951,122	0
	32,697,416	-
Less : Closing Stock	10,598,003	0
	22,099,414	-

* Raw Material items which are usable for commercial production.



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
-------------	-----------------	-----------------

Note No. 21 to the Financial Statements

CHANGES IN INVENTORIES

STOCK AS ON 1.4.2014

Sanitaryware Items- Manufactured	0	0
- Trading	0	0

TOTAL 'A'

-	-	-
---	---	---

STOCK AS ON 31.3.2015

Sanitaryware Items- Manufactured	73,605,528	0
- Trading	14,386,763	0

TOTAL 'B'

87,992,291	-	-
------------	---	---

(B-A)

87,992,291	-	-
------------	---	---

Note No. 22 to the Financial Statements

EMPLOYEES BENEFIT EXPENSE

Salaries & Wages	43,167,081	0
Staff Welfare	478,591	0
Contribution to Provident Fund	158,744	0
Director's Remuneration	1,356,498	0

45,160,914	-	0
------------	---	---

Note No. 23 to the Financial Statements

FINANCE COST

Interest on Bank Borrowings	24,422,225	0
Interest on Others	2,609,446	0
Other Borrowing Costs	382,349	0

27,414,020	-	0
------------	---	---



KAJARIA SANITARYWARE PRIVATE LIMITED

PARTICULARS	AS AT 31-3-2015	AS AT 31-3-2014
-------------	-----------------	-----------------

Note No. 24 to the Financial Statements

MANUFACTURING, ADMINISTRATIVE & OTHER EXPENSES

Power & Fuel	49,613,329	0
Stores Consumed	9,339,675	0
<u>Repair & Maintenance</u>		
- Buildings	401,002	0
- Machinery	123,977	0
- Others	363,653	0
<u>Auditor's Remuneration</u>		
- As Audit Fee	150,000	112,360
- For Certification	8,000	5,309
- For Other matters	148,596	0
Legal & Professional Expenses	310,232	0
Communication Expense	93,762	0
Rent Paid	1,173,708	0
Advertisement & Sales Promotion Expenses	9,162,843	0
Freight, Handling & Distribution Expenses	8,888,281	0
Rates & Taxes	98,627	0
Filing Expenses	114,202	704,800
Bank Charges	2,691	2,051
Printing & Stationary	148,229	4,200
Insurance Exp.	222,284	0
Travelling Expense	2,104,474	0
Vehicle Running & Maintenance Expenses	275,881	0
Miscellaneous Expenses	406,459	63,111
	83,149,906	891,831



KAJARIA SANITARYWARE PRIVATE LIMITED

OTHER NOTES ON ACCOUNTS

25. **Principle Activities & Nature of Operations**

The company has set a plant for manufacturing of sanitary ware products at Morvi-Gujarat, India. The project has commenced commercial operation on 7th April 2014. Expenses incurred before commencement of commercial production have been capitalized in respective asset.

26. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of loans, advances & other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

27. **Calculation of Earnings / (Loss) Per Share**

<u>Basic & Diluted Earnings/(Loss) Per Share</u>	<u>2014-15</u>	<u>2013-14</u>
<u>Numerator</u>		
Net Profit/(Loss) as per Statement of Profit & Loss	(2,38,301)	(8,34,025)
Less : Current Tax	(20,612)	20,000
	(2,58,913)	(8,54,025)
<u>Denominator</u>		
Weighted Avg. Share of Rs. 10/- each fully paid	74,56,986	20,85,699
(Opening Shares:	5000000	
Issued on		
4/12/14 :	2456986	
7600000/365*118		
Total :	7456986	
Earnings/(Loss) Per Share	(0.03)	(0.41)

28. The company has no amounts payable to Micro and Small units covered under Micro Small & Medium Enterprises Development Act 2006.

29. Additional information:

	<u>Current Year</u> <u>Value</u>	<u>Previous Year</u> <u>Value</u>
CIF VALUE OF IMPORTS		
- Capital Goods	4,60,401	25,79,497
- Trading goods	10219124	-



30. **Related Party Disclosure**

In accordance with the Accounting Standard (AS-18) on Related Party Disclosure, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

A. Relationship

I. Key Management Personnel

Name	Description
Mr. Ajaybhai Maganbhai Marvania	Director

II. Holding Company

- a. Kajaria Bathware Pvt Ltd
- b. Kajaria Ceramics Ltd – Ultimate Holding

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

Related Party disclosure	Key Management Personnel	Holding/Ultimate Holding
Remuneration Paid	13,56,498 (3,00,000)	--
Sales		44,133 (NIL)
Interest Paid: Kajaria Ceramics Ltd		26,09,446 (NIL)
Loan Repaid: Kajaria Ceramics Ltd		1,00,00,000 (NIL)
Reimbursement of Expenses: Kajaria Ceramics Ltd		17,09,004 (NIL)
Equity contribution received	43,00,000 (49,00,000)	4,86,40,000 (Kajaria BATHware Pvt LTd) (3,20,00,000) (Kajaria Ceramics Ltd)
Advance Received	(NIL) 14,50,000	



OTHER NOTES ON ACCOUNTS

	<u>AS AT</u> <u>31-3-2015</u>	<u>AS AT</u> <u>31-3-2014</u>
31. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for :	NIL	3,08,00,000
32. Outstanding Bank Guarantee	1,00,00,000	1,00,00,000

33. Deferred Tax Liability/ Assets

Deferred Tax arises because of difference in treatment between financial accounting and tax accounting, known as "Timing Differences". The tax effect of these timing differences is recorded as "Deferred Tax Assets" (generally items that can be used as a tax deduction or credit in future periods) and "Deferred Tax Liabilities" (generally items for which the company has received a tax deduction but has not recorded in the statement of income).

The deferred tax asset arising during the year has been set off to the extent of deferred tax liability and resulting Net Deferred Tax Asset has not been recognized in term of prudence norms and conservative view with regard to certainty of virtual profitability in future years.

34. Particulars of Sales & Stocks

	Amount in Rs.	
	Year Ended 31.3.2015	Year Ended 31.3.2014
a) <u>Opening Stock</u>		
Sanitaryware Items	0	0
b) <u>Purchases</u>		
Sanitaryware Items	38,743,639	0
c) <u>Sales</u>		
Sanitaryware Items (Manufactured)	123,842,158	0
Sanitaryware Items (Trading)	38,586,182	0
d) <u>Closing Stock</u>		
Sanitaryware Items	87,992,291	0




35. Previous year's figures have been regrouped / recasted wherever necessary.

For O.P. BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

PLACE : NEW DELHI

DATED : 25/04/15


PARTNER


M. Govani, a.m.
DIRECTOR DIRECTOR

