

MCL: SEC: 2021

Date: 02.09.2021

To,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
MUMBAI 400 051,
Stock Code: MURUDCERA.EQ

To,
BSE Limited,
Floor 25, P J Towers,
Dalal Street,
MUMBAI 400 001,
Stock Code: 515037

Sub.: Notice along with Annual Report of 38th Annual General Meeting of the Company.

Dear Sir/ Madam,

We wish to inform you that the 38th Annual General Meeting (AGM) of the Company will be held on Saturday, 25th September, 2021 at 3:00 P.M. at Shri R N Shetty Kalyana Mantapa, opposite Indira Glass House, Hubli-580029.

In this respect, please find enclosed the Notice of 38th Annual General Meeting along with Annual Report of the Company for the financial year 2020-21.

In terms of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 91 of the Companies Act, 2013 including rules made thereunder, the Register of Members / Share Transfer Books of the Company will remain closed from **Saturday, September 18, 2021 to Saturday, September 21, 2021 (both days inclusive)**, for the purpose of 38th Annual General Meeting.

You are requested to take the above in your records and oblige the same.

Thanking you.

Yours faithfully.

For Murudeshwar Ceramics Limited


Ashok Kumar
Company Secretary &
Compliance Officer



Encl.: As Above

BOARD OF DIRECTORS
Dr. RAMA NAGAPPA SHETTY

Chairman (Upto 17-12-2020)

Shri SATISH R SHETTY

Chairman & Managing Director

Dr. S.S. HIREMATH

Independent Director

Shri ANNAPPAYYA

Independent Director

Shri SANKAPPA K SHETTY

Independent Director

Smt. SARVANI ALVA

Independent Director

Shri SATHYA MURTHY PADAKI

Independent Director

Shri SUNIL R SHETTY

Non - Executive Director

Shri NAVEEN R SHETTY

Non - Executive Director

Shri KARAN SATISH SHETTY

Whole Time Director

Shri N M HEGDE

Vice President (Finance) & C.F.O.

Shri ASHOK KUMAR

Company Secretary & Compliance Officer

Auditors
M/s. K G RAO & Co.,

Chartered Accountants
Bengaluru

Bankers

CANARA BANK

STATE BANK OF INDIA

BANK OF BARODA

DBS BANK INDIA LTD (e-LVB)

AXIS BANK LTD

PUNJAB NATIONAL BANK (e-OBC)

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Registered Office

Murudeshwar Bhavan
604/B, Gokul Road
HUBLI - 580 030
Ph : 0836-2331615-18
Fax : 0836-2330436 / 4252583

Plants

Sy. No. 139, 141/1
Huildore Village, Bukkapatna Hobli
Tal : Sira, Dist. : Tumkur
Pin Code : 572 137

143, Ilayancudy Road
Devamapuram Village
Thirunallar Commune
KARAIKAL - 609 607
Puducherry (U.T.)
Ph : 04368-236899 / 236599
Fax : 04368-236805

NOTICE OF 38th ANNUAL GENERAL MEETING

To ,
The Members, Murudeshwar Ceramics Limited

Notice is hereby given that the **38th (Thirty Eight) Annual General Meeting (AGM)** of the Members of Murudeshwar Ceramics Limited will be held on **Saturday, 25th day of September, 2021 at 3.00 P.M. IST** at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi – 580 029, to transact the following business:

ORDINARY BUSINESS

1. To approve and adopt the Financial Statements for the financial year ended March 31, 2021 :

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT an Audited Annual Financial Statements (including the balance sheet of the Company as at March 31, 2021 and the statement of profit and loss together with the notes on accounts, schedules, statement of cash flow, etc.), in the prescribed format, annexed to and forming part of the accounts for the year ended March 31, 2021, together with the report of the Directors', Auditors' and notes, annexures, schedules etc. appended thereon as presented to the meeting, be and are hereby approved and adopted”.

2. To appoint a director in place of Shri Sunil Rama Shetty (DIN 00037572), who retires by rotation and being eligible, offers himself for reappointment :

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 (“Act”), and rules made thereunder and as per provisions contained in the Articles of Association of the Company the approval of the members of the Company be and is hereby accorded to the reappointment of Shri Sunil Rama Shetty (DIN 00037572), as a director without affecting his current position, who is liable to retire by rotation.”

SPECIAL BUSINESS

3. Reclassification of Authorised Share Capital of the Company :

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Sections 61 and 64 and other applicable provisions of the Companies Act, 2013 and rule 15 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and in terms of Articles of Association of the Company and subject to applicable permissions, sanctions and approvals as may be required, consent of the Members of the Company be and is hereby accorded to reclassification of the present Authorized Share Capital of the Company from ₹71,62,00,000/- (Rupees Seventy-one crores and Sixty-two lakhs only) divided into 5,56,20,000 (Five crores fifty-six lakhs and twenty thousand) Equity shares of ₹10/- (Rupees Ten only) each amounting to ₹55,62,00,000/- (Rupees Fifty-five crores and sixty-two lakhs only) and 16,00,000 (Sixteen lakhs) Redeemable Cumulative Preference Shares of ₹100/- (Rupees One hundred only) each amounting to ₹16,00,00,000/- (Rupees Sixteen crores only) to ₹71,62,00,000/- (Rupees Seventy-one crores and Sixty-two lakhs only) divided into 7,16,20,000 (Seven Crores Sixteen Lakhs and Twenty Thousand) Equity shares of ₹10/- (Rupees Ten only) each by converting 16,00,000 (Sixteen lakhs) Redeemable Cumulative Preference Shares of ₹100/- (Rupees One hundred only) each amounting to ₹16,00,00,000/- (Rupees Sixteen crores only) in 1,60,00,000 (One Crore Sixty Lakhs) Equity Shares of ₹10/- (Rupees Ten) each amounting to ₹16,00,00,000/- (Rupees Sixteen crores only) which shall be rank pari-passu in all respect with the existing Equity Shares”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary for obtaining necessary approvals in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution”.

4. To alter in the Capital Clause of Memorandum of Association of the Company :

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013, other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and in terms of Articles of Association of the Company and subject to applicable permissions, sanctions and approvals as may be required, consent of the Members of the Company be and is hereby accorded to alter the existing Clause of the Memorandum of Association of the Company relating to the Share Capital by substituting in place thereof the following Clause:-

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)

V. The Authorized Share Capital of the Company is ₹71,62,00,000/- (Rupees Seventy One Crores and Sixty Two Lakhs only) divided into 7,16,20,000 (Seven Crores Sixteen Lakhs and Twenty Thousand) Equity shares of ₹10/- (Rupees Ten only)".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution".

5. To adopt Memorandum of Association as per the provisions of the Companies Act, 2013 :

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and Rules made thereunder and subject to necessary statutory approvals and modifications if any, consent of the members be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association with no change in existing Clause III (A) containing the Main Objects sub-clauses no. 1 to 9".

"RESOLVED FURTHER THAT the existing Clause III (B) containing the "Objects Incidental or Ancillary to the attainment of Main Objects" sub-clauses no. 1 to 29 and the existing Clause III (c) containing the "other objects not included in (A) and (B) above" sub clause no. 1 to 13 be and are hereby merged and replaced by New **Clause III (B) "Matters which are necessary for furtherance of the Objects specified in Clause III(A)** containing the sub-clause no. 1 to 42".

"RESOLVED FURTHER THAT consent of shareholders of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Memorandum of Association of the Company and that the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary for obtaining necessary approvals in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution".

6. To adopt a new set of Articles of Association for the company pursuant to Table - F of the Schedule-I of the Companies act, 2013 :

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, the new set of Articles of Association be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary for obtaining necessary approvals in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution".

Place : Bengaluru
Date : August 13, 2021

By Order of the Board
For Murudeshwar Ceramics Limited
Sd/-
ASHOK KUMAR
Company Secretary
M.No. : ACS 40962

NOTES :

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
- (2) The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 (forty-eight) hours before the commencement of the meeting.

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)

- (3) A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. Further a member holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member or shareholder. The holder of the proxy shall prove his identity at the time of attending the Meeting. Member may please note that a proxy does not have the right to speak at the Meeting and cannot vote on poll.
- (4) In compliance with the Circular no. 14/2020 dated April 08, 2020, Circular no.17/2020 dated April 13, 2020, Circular no. 20/2020 dated May 05, 2020 and Circular no. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/ HO/ CFD/ CMD2/ CIR/ P /2021/11 dated January 15, 2021 issued by the SEBI, notice of the AGM along with the Annual Report for the FY: 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report for the FY : 2020-21 will also be available on the Company's website <https://www.naveentile.com>, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
- (5) Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- (6) Any document / Proxy Form in connection with the Annual General Meeting of the Company signed by any person for and on behalf of any Institution, Bank, Body Corporate etc., will be valid, only if such document/proxy form is supported by a duly authenticated copy of the Resolution of the Board of Directors authorizing such person to sign such document and/or to represent such Institution, Bank, Body Corporate etc., as the case may be.
- (7) The relevant details as required under Regulations 26(4) and 6(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and secretarial standard on General meetings issued by the Institute of Company Secretaries of India in respect of a Person/ Director seeking appointment/ re-appointment as Directors are provided in the explanatory part to this Notice and also may be refer in the Corporate Governance part of Annual Report.
- (8) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business set out in items no. 3 to 6 to be transacted at the Meeting is annexed hereto.
- (9) Members/Proxies should bring the Attendance Slip duly filled in, for attending the Meeting. The Attendance slip is accompanied with this Annual Report. Members, who hold shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording Attendance at the forthcoming Annual General Meeting.
- (10) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (11) Documents pertaining to items referred to in the Notice are available for inspection by any member/s at the Registered Office of the Company on any working day from 2 p.m. to 6 p.m. upto the date of Annual General Meeting.
- (12) Register of Members/Transfer books of the Company will be closed from Saturday, September 18, 2021 to Saturday, September 25, 2021 (both days inclusive).
- (13) Members seeking any information/clarification concerning the Accounts for the financial year 2020-21 are requested to send their specific request addressed to the Company at its Registered Office of the Company at least seven days before the Annual General Meeting.
- (14) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act and the relevant documents will be available for inspection by the members during the AGM.
- (15) Please also refer "General Information to Shareholders" in the annexure to Corporate Governance Report forming part of this Annual Report.
- (16) In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.
- (17) Members holding shares in physical mode are :
 - required to submit their Permanent Account Number (PAN) and bank account details to the Company/ Canbank Computer Services Limited (RTA), if not registered with the Company, as mandated by SEBI.

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)

- advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH-13).
 - requested to register/ update their e-mail address with the Company/ Canbank Computer Services Limited (RTA) for receiving all communications from the Company electronically.
- (18) Members holding shares in electronic mode are :
- requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their Demat accounts.
 - advised to contact their respective DPs for registering nomination.
 - requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- (19) Non-Resident Indian Members are requested to inform Canbank Computer Services Ltd. / respective DPs, immediately of :
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (20) In terms of the provisions of Section 152 of the Act, Shri Sunil Rama Shetty (DIN: 00037572), Director of the Company, retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
- (21) SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amended vide notification no. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Accordingly, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of Dematerialisation.
- (22) Please refer last page of Annual Report for AGM Location Map.
- (23) Voting through electronic means:
- (a) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Obligations and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to cast their vote electronically, through the e-voting services provided by NSDL on all resolutions set forth in this Notice, through remote e-voting to all members.
 - (b) Such remote e-voting facility is in addition to voting that may take place at the meeting venue on September 25, 2021. Members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.
 - (c) The Board of Directors has appointed Mr. Sunil J. Shah, Practicing Company Secretary (Membership No. ACS: 8717), (mail id: sunil_j_shah@yahoo.com) as the Scrutinizer to scrutinize the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.naveentile.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
 - (d) The remote e-voting period commences on September 22, 2021 (9.00 a.m. IST) and ends on September 24, 2021 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 17, 2021 (Cutoff date {record date}) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - (e) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the AGM.
 - (f) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 17, 2021 (Cutoff date {record date}).

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)

INSTRUCTIONS FOR E-VOTING

A. Login method for e-Voting :

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below :

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- Existing IdeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IdeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IdeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IdeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. - If you are not registered for IdeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IdeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi; - After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e., NSDL portal. Click on NSDL to cast your vote. - if the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)

Individual Shareholders (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note : Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID” and “Forgot Password” option available on the above-mentioned website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through depository i.e. NSDL and CDSL :

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on the toll free no.: 1800 1020 990 or 1800 22 44 30
Individual shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022- 23058738 or 022-23058542-43

B. Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- Visit the e-voting website of NSDL. Open the web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile phone.
- Once the homepage of e-voting system is launched, click on the icon “Login”, available under ‘Shareholder/ Member’.
- A new screen will open. You will have to enter your User ID, Password / OTP and a verification code as shown on the screen.
- Alternatively, if you are registered for NSDL e-services i.e. IdeAS, you can log in at <https://eservices.nsdl.com/> with your existing IdeAS login. Once you log in to NSDL e-services using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically on NSDL e-voting system.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
For members who hold shares in demat account with NSDL	8-character DP ID followed by 8-digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
For members who hold shares in demat account with CDSL	16-digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****.
For members holding shares in physical form	EVEN Number followed by Folio Number registered with the Company For example, if your Folio Number is 001*** and EVEN is 116022, then your User ID is 118021001***

C. Password details for shareholders other than individual shareholders are given below:

- If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ for the system to prompt you to change your password.

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)
3) How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for your NSDL account, or the last 8 digits of your Client ID for CDSL account, or Folio Number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

D. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

1. Click on "Forgot User Details / Password?" (If you hold shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
2. Physical User Reset Password? (If you hold shares in physical mode) option available on www.evoting.nsdl.com.
3. If you are still unable to get the password by the above two options, you can send a request to evoting@nsdl.co.in in mentioning your demat account number / Folio Number, your PAN, your name and your registered address.
4. Members can also use the OTP (One Time Password)-based login for casting their vote on the e-voting system of NSDL.

E. After entering your password, tick on "Agree with Terms and Conditions" by selecting on the check box.

F. Now, you will have to click on the "Login" button.

G. After you click on the "Login" button, the homepage of e-voting will open.

Cast your vote electronically on NSDL e-voting system

1. After successfully logging in following Step 1, you will be able to see the EVEN of all companies in which you hold shares and whose voting cycle is in active status.
2. Select the EVEN of Murudeshwar Ceramics Limited.
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting the appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on the "Submit" and "Confirm" buttons when prompted.
5. Upon confirmation, the message, "Vote cast successfully", will be displayed.
6. You can also take a printout of the votes cast by you by clicking on the "Print" option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for procuring user ID and password for e-voting for those shareholders whose e-mail IDs are not registered with the depositories / Company

1. Shareholders may send a request to evoting@nsdl.co.in for procuring user ID and password for e-Voting;
2. In case shares are held in physical mode, please provide Folio Number, name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and Aadhaar (self-attested scanned copy of Aadhaar Card);
3. In case shares are held in demat mode, please provide DP ID and Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), name of member, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card); and
4. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained as above i.e. Login method for e-Voting and voting during the meeting for Individual shareholders holding securities in demat mode.

Other Instructions :

- (a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of URL: <https://www.evoting.nsdl.com>. And register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- (b) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- (c) Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- (d) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and NSDL e-Voting manual or contact to help desk of e-Voting.

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 AND PROFILE OF THE APPOINTEES :

Item No. 3 : Reclassification of Authorised Share Capital of the Company :

The present Authorized Share Capital of the Company is ₹71,62,00,000/- (Rupees Seventy-one crores and Sixty-two lakhs only) divided into 5,56,20,000 (Five crores fifty-six lakhs and twenty thousand) Equity shares of ₹10/- (Rupees Ten only) each amounting to ₹55,62,00,000/- (Rupees Fifty-five crores and sixty-two lakhs only) and 16,00,000 (Sixteen lakhs) Redeemable Cumulative Preference Shares of ₹100/- (Rupees One hundred only) each amounting to ₹16,00,00,000/- (Rupees Sixteen crores only).

To facilitate any fund raising in future via further issue of equity shares of the company and/or Conversion of Warrants in to Equity shares already issued to promoters' group. The Company proposes to reclassify its authorized share capital by converting its unissued Redeemable Cumulative Preference Shares into Equity Shares.

The Redeemable Cumulative Preference Shares component of Authorised Capital is sought to be reclassified into equity shares and it is proposed that the existing Authorised Share Capital of the Company of ₹71,62,00,000/- (Rupees Seventy-one crores and Sixty-two lakhs only) divided into 5,56,20,000 (Five crores fifty-six lakhs and twenty thousand) Equity shares of ₹10/- (Rupees Ten only) each amounting to ₹55,62,00,000/- (Rupees Fifty-five crores and sixty-two lakhs only) and 16,00,000 (Sixteen lakhs) Redeemable Cumulative Preference Shares of ₹100/- (Rupees One hundred only) each amounting to ₹16,00,00,000/- (Rupees Sixteen crores only) is reclassified to ₹71,62,00,000/- (Rupees Seventy-one crores and Sixty-two lakhs only) divided into 7,16,20,000 (Seven Crores Sixteen Lakhs and Twenty Thousand) Equity shares of ₹10/- (Rupees Ten only) each by converting 16,00,000 (Sixteen lakhs) Redeemable Cumulative Preference Shares of ₹100/- (Rupees One hundred only) each amounting to ₹16,00,00,000/- (Rupees Sixteen crores only) in 1,60,00,000 (One Crore Sixty Lakhs) Equity Shares of ₹10/- (Rupees Ten) each amounting to ₹16,00,00,000/- (Rupees Sixteen crores only) which shall be rank pari-passu in all respect with the existing Equity Shares"

Pursuant to Section 13 and 61 the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing a Special Resolution to that effect.

The Board at its meeting held on 13th August, 2021 has approved the same and recommends the Resolution set out in item no. 3 in the Notice for the approval of the Members.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

Item. No. 4: To alter in the Capital Clause of Memorandum of Association of the Company:

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Capital Clause V of the Memorandum of Association of the Company.

Pursuant to Section 13 and 62 the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.

The Board at its meeting held on 13th August, 2021 has approved the same and recommends the Resolution set out in item 4 of this Notice for the approval of the Members.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

Item No. 5 : To adopt Memorandum of Association as per the provisions of the Companies Act, 2013.

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Memorandum of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging and retaining the Objects under Clause III (C) – "The Other Objects are" with Clause III (B) – "The Objects Incidental or Ancillary to the attainment of the Main Objects are" to the extent possible and also to rename and renumber the Clause III (A) and III (B) of the Object Clause.

The Board at its meeting held on 13th August, 2021 has approved alteration of the MOA of the Company and recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members. The proposed draft MOA is being uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

NOTICE OF 38th ANNUAL GENERAL MEETING (Contd.)
Item No. 6 : To adopt a new set of Articles of Association for the company pursuant Table - F of the Schedule-I of the Companies act, 2013:

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

Therefore, The Board of Directors in its meeting held on 13th August, 2021 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the company.

The draft of the new set of Articles proposed for approval is available for inspection by the shareholders of the Company during normal business hours at the Registered office of the Company and copies thereof shall also be made available for inspection at the Corporate Office of the Company and also at the place of the meeting on the meeting day. In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is sought for adoption of new set of Articles of Association of the Company.

None of the directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 6.

In pursuance to Schedule V, Part II, Section II Part (B), proviso (iv), a Statement containing following information is reproduced :

1. General Information :
(1) Nature of the Industry :

Murudeshwar Ceramics Limited (MCL) is engaged in the business of manufacture and sale of a wide range of Ceramic and Vitrified tiles and having its outlet in various states in India and also Exporting to other foreign Country.

(2) Incorporation Details :

The Company was incorporated on June 29, 1983 (bearing Registration No.: 5401 and CIN: L26914KA1983PLC005401 issued by Registrar of Companies, Karnataka, as a Public Limited Company under the provisions of the Companies Act, 1956, as amended under the name Murudeshwar Ceramics Limited. The Company commenced its business pursuant to a Certificate of the Commencement of Business dated July 19, 1983 issued by the Registrar of Companies, Karnataka. The name of the Company was changed to Murudeshwar Ceramics Limited pursuant to a Fresh Certificate of Incorporation Consequent to Change of Name dated December 2, 1987.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial Institutions appearing in the prospectus : Not Applicable
(4) Financial Performance :

The financial performance (standalone) of the company for the past 3 years is given below : (₹ in lakhs)

Particulars	2020-21	2019-20	2018-19
Turnover	8,048.95	10,317.22	12,577.95
Profit / (Loss) Before Tax	(1,594.67)	331.00	525.30
Profit / (Loss) After Tax	(1,211.24)	144.87	489.33
Dividend (%)	Nil	Nil	Nil

(5) Foreign Investment or collaborations, if any : Not Applicable

By Order of the Board
For Murudeshwar Ceramics Limited
Sd/-

ASHOK KUMAR
Company Secretary
M.No. : ACS 40962

Place : Bengaluru

Date : August 13, 2021

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your company have pleasure in presenting **38th (Thirty-Eight Annual Report)** on the business and operations of your Company along with the audited financial statements for the financial year ended **March 31, 2021**.

FINANCIAL HIGHLIGHTS / RESULTS OF THE COMPANY

The Board's Report shall be prepared based on the standalone financial statements of the company.

(₹ In lakhs)

Particulars	Current Financial Year 2020-21	Previous Financial Year 2019-20
Revenue from Operations	8,048.95	10,317.22
Other Income	126.24	850.93
Total Income	8,175.19	11,168.15
Operational Expenditure	7,153.38	6,867.08
Increase / (Decrease) in stock (WIP)	(1.09)	1,377.97
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1,022.90	2,923.10
Less: Depreciation/ Amortisation/ Impairment	1,024.97	992.50
Profit / loss before Finance Costs, Exceptional items and Tax Expense	(2.07)	1,930.60
Less : Finance Costs	1,592.60	1,599.60
Profit / loss before Exceptional items and Tax Expense	(1,594.67)	331.00
Add/(less) : Exceptional items	-	-
Profit / loss before Tax Expense	(1,594.67)	331.00
Less : Tax Expense -		
● Current Tax	-	56.79
● Prior Period Tax	-	(1.01)
● Deferred Tax	(412.18)	157.41
● MAT Credit Entitlement (reversed)	4.97	(56.79)
Profit / loss for the year (1)	(1,187.46)	174.60
Total Comprehensive Income/loss (2)	(23.78)	(29.73)
Total (1+2)	(1,211.24)	144.87
Balance of profit /loss for earlier years	1,489.09	1,344.22
Less : Transfer to Reserves	-	-
Less : Dividend paid on Equity Shares	-	-
Balance carried forward	277.85	1,489.09

OPERATIONAL PERFORMANCE IN SEGMENTS

During the year under review, the sale of products has decreased by 29.11% at ₹5,928.33 lakhs in compared to ₹8,362.84 lakhs of the previous year and sale of services has marginally increased by 11.84% at ₹2,153.66 lakhs in compare to ₹1,925.61 Lakhs of the previous year. Therefore, the company has decreased its overall sale by 21.99% at ₹8,048.95 Lakhs in compare to ₹10,317.22 lakhs of previous year.

Consequence to the above increase and decrease in sales of the products and services, the Company has incurred loss of ₹1,211.24 lakhs in compared to profit of ₹144.87 lakhs in the previous year.

DIRECTORS' REPORT (Contd.)
THE IMPACT ON BUSINESS AND HEALTH DUE TO OUTBREAK OF COVID-19 PANDEMIC

The COVID-19 has been emerged as a global challenge, creating disruption across the world and projected as worse than the Great Depression faced by the globe ever. Businesses are severely impacted and must navigate the financial and operational challenges while simultaneously addressing the needs of their workforce, customers and suppliers. The Board of directors is facing the challenging task of managing the impact of the pandemic on risk management due to reduced demand, disrupted supply chain or operational interruptions, employee health issues, or liquidity constraints. Since, the financial year 2020-21 had started with strict Lockdown due to covid-19 pandemic and all the industrial or normal life was in closed mode and there is virtually no area of business that has not been hit by the covid-19 pandemic and at that time the Indian Economy was in silent mode. Gradually, the pandemic situation was improving in the entire nation and the government has removed the lockdown from the mid of the first quarter. However, The Indian Government has taken some major steps like, to follow social distancing, to operate offices and factory with minimal or no staff and to encourage for work from home, always wear face mask etc. due to which the entire chain has been affect, like shortage in supply of raw material, decrease in demand of finished goods due to which there is slow down in manufacturing activities, construction activities etc. and your company's business solely depends on construction activity.

CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT AND OTHER TANGIBLE ASSETS

In the financial year 2020-21, we incurred a capital expenditure of ₹272.84 lakhs which comprises of ₹194.68 lakhs in Building, ₹61.77 in Plant and Equipment, ₹3.22 lakhs in Computers, ₹11.76 lakhs in Office Equipment, ₹0.27 lakhs in Furniture & Fixtures and ₹1.14 lakhs in Vehicles.

LIQUIDITY

We maintain sufficient cash to meet our strategic and operational requirements. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements. Liquidity enables us to be agile and ready for meeting unforeseen strategic and business needs. We believe that our working capital is sufficient to meet our current requirements. The principal sources of liquidity of your Company consist of cash and cash equivalents, others (Balance in Current account) and the cash flow that we generate from our business operations. For the financial year ended March 31, 2021 your company has ₹340.40 lakhs in account of cash and cash equivalents.

BASIC EPS

The Basic Earnings per Share has decreased by 926.67% i.e. to -2.48 as compared from 0.30 of previous year 2019-20.

DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances and financial performance of the company, has decided that it would be prudent, not to recommend any dividend for the financial year 2020-21 under review. Your directors are working towards achieving higher results during the fourth coming years and also your directors intent to reduce the finance cost as early as possible.

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR / THE STATE OF COMPANY'S AFFAIR PROSPECTS/ MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

The Board, at its meeting held on January, 13, 2021, has allotted equity shares and share warrants convertible into equity shares the details of which has been given under the head of Share Capital of this report.

There have been no other material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

MARKETING STRATEGY OF THE COMPANY IN THE CURRENT SCENARIO TO IMPROVE SALES.

Our strategic objective is to build a sustainable and resilient organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable returns for our investors and contributing to the communities that we operate in. We are following the Four R's of B2B Sales in Response to our valued customers' demand in this pandemic arise due to COVID-19 since previous year immediately to the financial year 2020-21 as under:

Respond

Support customers' immediate needs such as product and pricing Shift to digital communications and remote channels, Arm teams with remote-selling tools.

DIRECTORS' REPORT (Contd.)

Reflect

Track pipeline orders and deal risks, Review sales teams and make necessary tweaks, scan competitive landscape to look for opportunities, Cut down on all non-essential costs.

Reimagine

Digitize got to market strategy, digitize lead building and management, update our offering and pricing, Data Analysis for better business development, Track emerging trends.

Rebound

Scale digital sales and inside sales, online meetings with key decision makers and architects, personalise account engagement with joint marketing and sales tactics, Optimising supply chain to reduce costs.

New Sales Channels :

The Company continues the strategy of both project and retail marketing. The Company is constantly focusing on Brand building and accordingly advertisements are given on regular basis to increase the sales. The company primarily focuses on local market where it can gain, and the company has opened various showrooms. Appointment of new potential dealers in tier 2 and tier 3 cities across South and Eastern India to penetrate the market better. The Showroom sales are yielding satisfactory return in major urban and rural areas.

RESEARCH AND DEVELOPMENT (R & D)

An effort to upgrade variety, body matrix, shades and designs to suit market sentiments is being consistently pursued. Our R & D wing is also exploring ways and means to improve operating efficiency. The Research & Development wing of the Company is always trying to give new look and design of company's products to meet valued customers demand and to meet international standards and certification requirements and has successfully developed new varieties of tiles with improved body matrix, quality and cost-effective product range.

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year under review the Company does not have any Subsidiary, Joint ventures and Associates Companies and neither company has become or ceased to be subsidiaries, associates and joint ventures during the financial year 2020-21.

TRANSFER TO RESERVES

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review. The particulars of reserves of the Company for FY: 2020-21 and the previous year are as follows :

(₹ in Lakhs)

Particulars	F.Y.2020-21	F.Y: 2019-20
Capital Reserve	15.03	15.03
Capital Redemption reserve	1,600.00	1,600.00
Securities premium account	12,739.33	12,739.33
General Reserve	12,795.85	12,795.85
Profit and Loss Account	277.85	1,489.09

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review there is no changes in the nature of the business of the Company.

RISK MANAGEMENT

In terms of provisions of Section 134(3) (n) of the Companies Act, 2013, the Company has written Risk Management Policy and the policy has been placed on the Company's website at www.naveentile.com also. The Risk Management Team of the company is constituted from time to time to look into various risks faced by it and various risks exist in the market and the team ensures that the Company has appropriate and effective risk management systems which carries out risk identification, assessment and ensures that risk mitigation plans are in place.

DIRECTORS' REPORT (Contd.)

BOARD DIVERSITY

Your Company believes that a diversified board will bring differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help us retain our competitive advantage and as a collective is equipped to guide the business and strategy of the company.

At present, your company have an appropriate mix of executive, non-executive, women and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2021, the Board had nine members, two of whom are executive directors, two of whom are non-executive and non-independent directors and five are independent directors. One of the independent directors of the Board is a woman.

APPOINTMENT OR REAPPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. **Shri Sunil Rama Shetty (00037572)**, Non-executive and Non-Independent Director of the Company, who is liable to retire by rotation based on his appointment terms, offered themselves for re-appointment at the ensuing Annual General Meeting ('AGM'). The Board recommends for their re-appointments in the ensuing Annual General Meeting.
2. **Dr. Rama Nagappa Shetty (DIN: 00038810)**, the Chairman of the Company has expired on 17.12.2020.

Shri Sunil Rama Shetty and Shri Naveen Rama Shetty are continue to the Non-executive and Non-Independent Directors of the Company and **Shri Annappayya, Shri Sankappa Keremane Shetty, Smt. Sarvani Alva, Dr. S S Hiremath and Shri Sathya Murthy Padaki** are Independent Directors of the Company.

In terms of Section 203 of the said Act, the following were designated as Key Managerial Personnel of your Company by the Board:

- Shri Satish Rama Shetty - Chairman & Managing Director
- Shri Karan Satish Shetty - Whole Time Director
- Shri Narayan Manjunath Hegde - Chief Financial Officer ; &
- Shri Ashok Kumar - Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Regulations 25 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 and the Company has received Disclosure of Interest in form MBP-1 as per section 184 of the act and intimation by all the Directors for qualification to continue their directorship in form DIR-8 Pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014. The Board also confirms that all the Independent Directors fulfill the Conditions as specified in the above regulation and the companies Act, 2013 and rule made thereunder.

EVALUATION OF THE BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, its Committees and the Directors including the Chairman which include criteria for performance evaluation of the non-executive directors and executive director. Each member of the Board completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as the composition, execution of specific duties, quality, quantity and timelines of flow of information, deliberations at the meeting etc., Besides this, one meeting of the individual directors with the Chairman of the Board was also conducted as a part of self-appraisal. The Directors were also asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its committees. In a separate meeting of independent Directors, performance of non-independent Directors and the board as a whole was evaluated. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent Director being evaluated.

HUMAN RESOURCES DEVELOPMENT

The focus of human resources development at your company is to ensure that we enable each and every employee to navigate the next, not just for clients, but also for themselves. We have reimagined our employee value proposition, to make it more meaningful to our employees. The Company is providing appropriate training and guidance to its employees from time to time for reskill them and making them for more valuable for the Company.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended hereto and forms part of this Report as **Annexure-1**.

DIRECTORS' REPORT (Contd.)

The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. None of the Company's employees were covered by the disclosure requirement. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining the same may write to the Company at the Registered Office of the Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, six (6) Board Meetings were held. For further details, please refer to Report on Corporate Governance.

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following substantive Committees constituted by the Board function according to their respective roles and defined scopes:

- Audit Committee of Directors
- Nomination and Remuneration Committee of Directors
- Stakeholders Grievance Committee of Directors
- CSR Committee of Directors
- Executive Committee of Directors

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance.

THE DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required to be furnished pursuant to Section 134(3) (m) of the Companies Act, 2013, is appended hereto and forms part of this Report as **Annexure-2**.

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes, recommendation for appointment of KMPs and Directors to the Board and also independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

In line with this requirement, the Board has adopted the Policy on Board Diversity and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company. The copy of the policy is available on the company website at www.naveentile.com.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO SECTION 188

All related party transactions, that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. Further, there are no any such type of significant related party transactions during the year under review made by the Company with promoters, Directors, Key Managerial Personnel or designated persons which may have a potential conflict with the interest of the Company at a large. The details of which is given as AOC-2 in **Annexure-3**.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has duly constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors and also has formulated a CSR Policy indicating the activities to be undertaken by the Company in terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The constitution of CSR Committee is disclosed in Corporate Governance Report. The CSR policy may be accessed on the Company's website at www.naveentile.com. The Contribution against CSR has been made by the company for the financial year 2020-21 based on the average net profit of last three year of the Company. Details has been appended hereto and forms part of this Report as **Annexure-4**.

DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS' REPORT (Contd.)

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE :

No orders were passed by any Courts or Tribunals impacting the going concern status and company's operations in future.

LOANS, SECURITIES OR INVESTMENTS

During the year under review the Company has not provided any Loans, guarantees and securities under section 186 of the Companies Act, 2013 except a guarantee jointly with other guarantors for Covid Loan to the extent and subject to the limit approved by the members of the Company, guaranteeing the repayment of the Credit Facility along with interest in favour of Canara Bank being the lead banker in consortium finance among other bankers including State Bank of India, Karnataka Bank Ltd., Union Bank of India and HDFC Bank for and on behalf of RNS Infrastructure Limited, a Group company of the Company and the details of investments and loans if any, are provided in the schedules to the financial statements.

CREDIT RATINGS

During the year under review, ratings on the Bank facilities including Long Term and Short Term Loans of your Company by CRISIL is as under:

Total Bank Loan Facilities Rated	₹117.85 Crore
Long Term Rating	CRISIL B+/ Stable (Reaffirmed)
Short Term Rating	CRISIL A4 (Reaffirmed)

ANNUAL RETURN AND THE WEB ADDRESS

In terms of Section 92(3) and section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2021 is available on the Company's website on <https://www.naveentile.com/investor-relation>.

STATUTORY AUDITORS

M/s. K.G. Rao & CO, (Firm Registration No. 010463S), having office at No. #15, First Floor, 3rd Cross, Sampige Road, Malleshwaram, Bangalore – 560 003, is the present Statutory Auditors of the Company for a period of five years w.e.f. September 28, 2019.

AUDITOR'S REPORT

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. No qualification, adverse remarks or disclaimer have been made by the Statutory Auditors with regard to the financial statements for the financial year 2020-21.

INDIAN ACCOUNTING STANDARDS

Your Company has been adopted "IndAS" since April 01, 2017. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

SECRETARIAL AUDITOR AND REPORT

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Swati R Hegde, Practicing Company Secretary to undertake the secretarial audit of the Company. The Secretarial Audit Report is appended hereto and forms part of this Report as Annexure-5.

SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India from time to time.

CERTIFICATE PURSUANT TO CLAUSE 10 OF SCHEDULE V OF SEBI (LODR), REG, 2015

In terms of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained certificate from Practicing Company Secretary with respect to disclosure/ declaration/ representation received from the directors and taken on record by the Board of Directors, as on March 31, 2021, none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority. The above said Certificate is appended hereto and forms part of this report as Annexure-6.

DIRECTORS' REPORT (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, Management Discussion and Analysis Report for the financial year 2020-21, forming part of this report, has been given under separate section in this Annual Report.

CORPORATE GOVERNANCE

In terms of Regulation 27 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and relevant sections of the Companies Act, 2013, Report on Corporate Governance and Auditors' Certificate are included in the Annual Report. The Compliance Certificate from the auditors regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 from the period 01.04.2020 to 31.03.2021 is annexed with this report.

COST RECORDS AND COST AUDIT

During the year under review, the Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

POLICIES

During the year under review your Company has written policy as require under the Companies Act, 2013 and rules made there under and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. At present your Company has the following policies:

(1) Policy on Remuneration of Directors, KMP and Senior Employees (2) Policy on Preservation of Documents and Archival of Documents in its website (3) Policy on Prevention of Sexual Harassment at Workplace (4) Whistle Blower Policy (5) Code of Conduct (6) Policy on Disclosure of Material Events (7) Policy on RTP's (8) Policy on Risk Management (9) Policy on Board Diversity (10) Policy for payment to NED and Policy for determining the Material Subsidiaries (11) Policy on Evaluation of Board (12) Policy on CSR (13) Policy on remuneration to ED and Senior Management (14) "Code of Fair Disclosure and Code of Conduct for Prevention of Insider Trading" (15) Policy on Document Retention. These all Policies can be accessed on the website of the Company at <http://www.naveentile.com>.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of Section 177(9) of the Companies Act, 2013, Your Company has a written Vigil Mechanism /Whistle Blower Policy which may be accessed at www.naveentile.com. The vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROL

In terms of Sec.134 (5)(c) the Company has an adequate system of internal financial control in place with reference to financial statements in addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial control for ensuring proper and efficient conduct of its business, 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 Internal Audit is carried out by external auditors and periodically covers all areas of business.

FAMILIRISATION PROGRAM

In terms of regulations 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with a view to familiarize the Independent Directors with the company's operations, the company has conducted a program which inter alia includes various presentation given by the practicing professionals, business heads and KMPs of the Company.

SHARE CAPITAL

During the year under review the Company has issued and allotted the following securities as shown in tabular forms to the Promoters' Group on preferential basis :

DIRECTORS' REPORT (Contd.)

Name of Allottees (Promoters Group)	No. of Equity Shares (FY: 2020-21)	Share Warrants to be converted into Equity Shares		Face Value (In ₹) Equity Share	Issue Price (In ₹)
		1st Tranche (FY : 2021-22)	2nd Tranche (FY : 2022-23)		
Murudeshwar Power Corporation Limited	3090724	2616559	2747389	10.00	18.00
Naveen Mechanised Construction Company Private Limited	1666666	Nil		10.00	18.00
Total	4757390	5363948		10.00	18.00

Except the above the company has not raised any funds through preferential allotment or qualified institutional placement as specified under regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by further issue of shares (Bonus, ESOP etc.) under the Companies Act, 2013.

Hence, authorised share capital remains the same of ₹7,162.00 lakhs and the Paid up Equity Share Capital has been increased from ₹4,758.17 lakhs to ₹5,233.13 lakhs.

PREVENTION OF INSIDER TRADING

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('the Regulations') the Company has made a code i.e. Code of practices and procedures for fair disclosure of unpublished price sensitive information and prevention of insider trading to prohibit the insider trading, to govern the fair disclosure of unpublished price sensitive information and to attain equality of access to such information with a view to regulate trading in securities by the Directors and designated employees of the Company. All Directors and the designated employees have confirmed compliance with the Code.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal financial controls were adequate and effective during the financial year 2020-21.

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures there from;
- They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPRECIATION AND ACKNOWLEDGEMENT

Your directors take this opportunity to extend their deep sense of gratitude to the Banks, Central and State Governments and their departments and the Local Authorities for their continued support and employees at all levels for their hard work, dedication and commitment and as well to our esteemed shareholders. Your directors would also like to record appreciation for the support and cooperation, your Company has been receiving from its suppliers, dealers, business partners and others associated with the Company. We are deeply grateful for the confidence and faith that you have always reposed in us.

Place : Bengaluru
Date : August 13, 2021

for and on behalf of the Board of Directors
SATISH RAMA SHETTY
Chairman & Managing Director
(DIN 00037526)

ANNEXURE – 1 : PARTICULARS OF EMPLOYEES AND REMUNERATION

Section 197 read with Rule, 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows :

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Shri Satish Rama Shetty	28.42
Shri Karan Satish Shetty	09.87

NOTE : All other Non-Executive Directors are not drawing any remuneration from the Company.

- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name of KMP	Percentage increase in remuneration in the financial year
Shri Satish Rama Shetty	0.00%
Shri Karan Satish Shetty	0.00%
Shri N.M. Hegde	0.00%
Shri Ashok Kumar	31.91%

- c) The percentage increase in the median remuneration of employees in the financial year : 0.95%

- d) The number of permanent employees on the rolls of the company : 285

- e) The explanation on the relationship between average increase in remuneration and company performance

Sl.No.	Particulars	Explanation
1.	Increase in median remuneration of employees has been : 0.95%	Increase in median remuneration of employees is due to decrease in number of employees on low wages as compare to the previous year. The remuneration was paid to employees on par with other similar industry.
2.	Company performance of PAT is ₹-1,211.24 lakhs (2020-21) to ₹144.87 lakhs (2019-20)	

- f) Comparison of the remuneration of the Key Managerial Personnel against the Performance of the Company

Sl.No.	Particulars of remuneration for Key Managerial Personnel	Percentage of Standalone Operating Profit
1.	Shri Satish Rama Shetty	-56.11%
2.	Shri Karan Satish Shetty	-19.48%
3.	Shri N.M. Hegde	-14.56%
4.	Shri Ashok Kumar	-8.61%

- g) Market and financial performance related information :

Particulars	March 31, 2021	March 31, 2020	% Change
Market Capitalization (₹ lakhs)	9,995.28	4,481.46	123.04
P/E Ratio	-7.70	37.68	Negative

(Note : As on 31-03-2021 at (NSE and BSE ₹19.10), average price is ₹19.10 & No. of shares 5,23,31,312)

- h) **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentage increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :** Not applicable
- i) **The key parameters for any variable component of remuneration availed by the directors :** No such variable component is paid
- j) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :** There is no employee who received remuneration in excess of highest paid Director.
- k) **Affirmation that the remuneration is as per the remuneration policy of the Company :** It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

ANNEXURE - 2
CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION
A. CONSERVATION OF ENERGY

(a) Successfully modified the composition of the body to reduce shrinkage, which helps in reduction of raw material consumption, reducing the cost of raw material and the raw material processing time, thereby reducing wastage and conserving power. Re-use of kiln heat for the drying process which has considerably reduced the consumption of fuel.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Proposal to test and purchase Variable frequency drive and panel for all our Ball Mills, to reduce peak voltage consumption.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent Impact on the cost of production of goods : Reduction in power cost for better sales realization.

(d) Total energy consumption and energy consumption per unit of production : Not applicable

B. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption as per Form B of the Annexure :

FORM B
1. Specific areas in which R & D carried out by the company

- Alternative to imported clay found, tested and used successfully in large scale production
- Glaze raw material tested for better wear resistance and slip resistance

2. Benefits derived as a result of the above R & D

- Better sales realization on the finished product
- Larger number of Sku's to offer clients.

3. Future plan of action

- Larger size tiles to be manufactured at Sira Plant.
- Digital parking tiles production at Karaikal Plant

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION
1. Efforts in brief made towards technology absorption, adaptation and innovation :

- Successful production of PGVT & GVT series Digital Vitrified tile.
- Successful adaption of Ball clay processing plant & feldspar processing plant to remove the inbuilt impurities to enhance the brightness of Vitrified tile production.

2. Benefits derived as a result of above efforts : Reduction in the power cost, raw material cost, transport cost & improvement the tile brightness & quality consistency.
3. In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :

- Technology Imported : Not done during the year
- Year of Import : NA
- Has technology been fully absorbed : NA
- If not absorbed, areas where this has not taken place, reasons and future plans of action. : NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : Nil
- Total Foreign Exchange used earned.**

Foreign Exchange Earnings	:	₹ 69,13,151.00
Foreign Exchange Outgo	:	₹6,10,79,550.00

ANNEXURE - 3
FORM NO. AOC-2
**[PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT
AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014]**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl.No.	Particulars	Details
1	Name(s) of the related party & nature of relationship	Nil
2	Nature of contracts / arrangements / transaction	Nil
3	Duration of the contracts / arrangements / transaction	Nil
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5	Justification for entering into such contracts or arrangements or transactions	Nil
6	Date of approval by the Board	Nil
7	Amount paid as advance, if any	Nil
8	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis :

Sl.No.	Particulars	Details
1	Name(s) of the related party	RNS INFRASTRUCTURE LIMITED (refer to Note No.27.2 of Financial Statement)
2	Nature of Relationship	Group Company
3	Nature of contracts / arrangements / transaction	Earth works / Sale of Jelly
4	Duration of the contracts / arrangements / transaction	Not applicable
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Not applicable
6	Justification for entering into such contracts or arrangements or transactions	Nil
7	Date of approval by the Board	26.06.2020
8	Amount paid as advance, if any	Nil

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. For all related party transactions, please refer Note No.27.2 of the Financial Statement.

ANNEXURE - 4
CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

- Period for which CSR is being reported: From 1st April 2020 to 31st March, 2021.
- Your Company may from time to time undertake any project, program and activity on one or more of the following areas: (a) Hospital which serves the poor and economical backward class people in rural area and;
- The Composition of the CSR Committee: Shri Satish Rama Shetty- Chairman, Dr. Shivabasayya Siddaramayya Hiremath, Member and Shri Naveen Rama Shetty, Member.
- Average Net Profits of the Company for the last three financial years : ₹455.46 lakhs
- Prescribed CSR Expenditure (Two percent of the amount as in item 4 above) : ₹9.11 lakhs
- Details of CSR spent for the financial year :**

1. RNS Hospital, Murudeshwar	Contribution made to the RNS Hospital (through RNS Trust) which serves the poor and economical backward class people in rural area	₹9.11 lakhs
	TOTAL	₹9.11 lakhs

Responsibility Statement : The CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board
Satish Rama Shetty **Naveen Rama Shetty**
Chairman & Managing Director Director
(DIN 00037526) (DIN 00058779)

Place : Bengaluru
Date : 13-08-2021

ANNEXURE - 5

Form No. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,

The Members

MURUDESHWAR CERAMICS LIMITED

CIN: L26914KA1983PLC005401

604/B, GOKUL ROAD,

INDUSTRIAL ESTATE,

HUBLI, KARNATAKA - 580030

I have conducted the secretarial audit of the compliance of applicable statutory provisions under the Listed enactments and the adherence to good corporate practices by **MURUDESHWAR CERAMICS LIMITED, (CIN: L26914KA1983PLC005401)**, having its Registered Office at '604/B, Gokul Road, Industrial Estate, Hubli, Karnataka- 580030' (hereinafter referred as the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the representations made and also the information, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** ("the Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to me pertaining to the financial year ended on 31st March, 2021, wherever applicable and in accordance with the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), upto September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (SEBI Buyback of Securities Regulations) upto 10th September, 2018 and SEBI Buyback of Securities Regulations, 2018 w.e.f. 11th September, 2018;

(to the extent applicable and as may be necessary for the Company during the said Financial Year)

Further, it has been represented by the Company and also understood that there are no sector specific laws that are specifically applicable to the Company on the nature of its business or industry (other than the general laws as may be applicable to a manufacturing company).

I have also examined compliance with the applicable clauses of the :

- a) The Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) The Listing Agreements with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Reg, 2015), wherever applicable.

ANNEXURE - 5 (Contd.)

During the period under review the Company has complied with the necessary provisions of the Act, Rules, Regulations, Standards, etc mentioned above wherever and as applicable to the Company barring the instances of filling of e-forms with MCA along with additional fees as permitted under law.

I further report that, the Compliance by the Company of applicable financial laws such as Direct & Indirect Tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit, since the same have been subject to review by the Statutory Financial Auditors, Tax Auditors and other designated professionals.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors during the period under review were in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the Meetings duly recorded and signed by the Chairman, the decisions at the Board and Committee Meetings were carried out with requisite majority.

I further report that, based on the information provided and the representations made by the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that the Company has responded to the clarification sought/ notices/ queries received by the Company from statutory/regulatory authorities, wherever required and found necessary.

During the year, the Company witnessed a sudden demise of Dr. Rama Nagappa Shetty, the Chairman of the Company.

Further, during the year, the Company at its Board Meeting held on 13th November, 2020 and at its General Meeting conducted through postal ballot on 26th December, 2020 passed resolutions approving 'Raising of fund by way of creating, offering, issuing and allotting 47,57,390 equity shares and 53,63,948 share warrants on preferential basis to the Promoters group convertible into equity shares in one or more tranches'.

I further report that, based on the information provided and representation by the Management of the Company, there were no specific events/actions that occurred/ arose during the said audit period of the F.Y. 2020-21, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

For Swati Hegde & Associates
Company Secretaries

Sd/-

Swati Ramachandra Hegde
Proprietor

Mem. No: F10795 & COP No: 19286

Date : 09-08-2021

Place : Bengaluru

UDIN : F010795C000759136

This report is to be read with my letter of even date which is attached as 'Annexure -1' and forms an integral part of this report.

'Annexure - 1' **To the Secretarial Audit Report**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

To,

The Members

MURUDESHWAR CERAMICS LIMITED

604/B, GOKUL ROAD, INDUSTRIAL ESTATE,
HUBLI, KARNATAKA - 580030.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

ANNEXURE - 5 (Contd.)

4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Swati Hegde & Associates
Company Secretaries

Date : 09-08-2021

Place : Bengaluru

UDIN : F010795C000759136

Sd/-
Swati Ramachandra Hegde
Proprietor
Mem. No: F10795 & COP No: 19286

ANNEXURE - 6 : Certificate pursuant to clause 10 of Schedule V of SEBI (LODR), Regulations, 2015
CERTIFICATE OF NON – DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Murudeshwar Ceramics Limited

604/B, Gokul Road, Industrial Estate,

Hubli, Karnataka- 580030 India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Murudeshwar Ceramics Limited** having CIN L26914KA1983PLC005401 and having registered office at '604/B, GOKUL ROAD, INDUSTRIAL ESTATE, HUBLI, KARNATAKA- 580030 INDIA' (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to me by the Company & its officers and also considering relevant relaxations granted by the MCA / SEBI, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company *
1.	Satish Rama Shetty	00037526	27/06/2007
2.	Sunil Rama Shetty	00037572	29/11/1993
3.	Naveen Rama Shetty	00058779	24/11/1995
4.	Sankappa Keremane Shetty	00894366	14/05/2012
5.	Shivabasayya Siddaramayya Hiremath	02272897	30/07/2008
6.	Annappayya	03558522	24/06/2011
7.	Sarvani Alva	06896403	31/07/2014
8.	Karan Satish Shetty	08168200	10/08/2018
9.	Sathya Murthy Padaki	08276537	12/11/2018

*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Swati Hegde & Associates
Company Secretaries

Date : 10-08-2021

Place : Bengaluru

UDIN : F010795C000763844

Sd/-
Swati Ramachandra Hegde
Proprietor
Mem. No: F10795 & COP No: 19286

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMING PART OF THE DIRECTORS' REPORT
INDUSTRY STRUCTURE AND DEVELOPMENT

The global ceramic tiles market size is projected to grow from USD 207.7 billion in 2020 to USD 285.1 billion by 2025, at a Compound Annual Growth Rate of 6.5% from 2020 to 2025. The world's second largest tile producer with volumes over the 1.1 billion square meters mark, the Indian ceramic industry holds potential to become the largest producer in the world, as the industry is looking to almost double its turnover in coming years. The growth of the industry is majorly driven by the increasing demand for ceramic tiles, sanitary wares, pipes, etc., for construction application within India and exports to the Middle East, Europe, and other newer destinations. Glazed vitrified tiles, as one of the major tile trends, is expected to witness the highest growth during the forecast period in 2021, owing to its high durability and luxurious appearance. Based on the consumers, the floor and wall tiles market is segmented into residential, commercial, and others. The residential sector is expected to hold a major market share during the coming period, mainly due to increasing population and growth in disposable income. Currently, vitrified tiles account for almost 50% of total tile sales in the Indian tiles industry, and are expected to reach around 501.70 Bn INR by the end of 2023.

The Indian tile industry is certainly being driven by increased spending on infrastructure by the government, speeding urbanization, emerging trends, and the growing need for more infrastructures, further increasing the demand for vitrified tiles. The government's push to housing and sanitation development, implementation of proposed goods and service tax and favorable demographic profile, drives the Indian tile market, alongside the boost from the 'Make in India' initiative. Also, government schemes - like Pradhan Mantri Awas Yojana (Urban and Gramin) that aim at 'housing for all' by the year 2022, with an estimate of providing around 2 crore houses to eligible recipients, out of which 104 lakh houses are already sanctioned till date, will certainly drive the demand for tiles in India for next few years.

However, COVID-19 pandemic has shut-down the production of ceramic tiles in India, mainly owing to the prolonged lockdown in two quarters of year 2020. This has hampered the growth of India ceramic tiles market significantly from last few months, as is likely to continue during 2021. Moreover, the COVID-19 has already affected the residential and commercial construction industry in the first quarter of 2020 and is likely to cause a negative impact on the market growth throughout the year.

ABOUT CERAMIC MARKET AND COMPETITION:

India is one of the fastest-growing ceramic tile markets in the world. The government on housing and sanitation, favorable demographic profile, and increasing urbanization drive the Indian ceramic tile market. Movement of large amounts of population to urban areas for employment and a better standard of living are driving the demand for the construction sector in the country. The construction sector, which in turn is driving the ceramic tiles market, is positively influenced by high demand growth. The Indian ceramic tiles market is a highly fragmented one with a large number of local and regional players in attendance. The ceramic tiles market consists of both organized and unorganized players in the 40:60 ratio. At present due to the huge number of unorganised tile manufacturers in the Indian market, National brands contribute less than 50% of the domestic and export market.

OPPORTUNITIES AND THREATS

The Indian Ceramic Tiles industry is highly fragmented in nature, with many small-size family owned entities. The industry enjoys some inherent advantages such as abundant raw material from indigenous sources, advanced infrastructure and low labour costs. The growing urbanization in India is likely to remain a major growth driver for the ceramic tiles market. Investments are made in housing, smart cities, and other forms of urban management. Urbanization boosts the demand for residential and commercial construction markets in the country, which has fueled rapid growth for the Indian ceramic tiles market. Moreover, nearly 10 million people are migrating to the urban area every year in India, which is expected to form 77 new cities with more than 1 million populations by 2030.

However, The COVID-19 pandemic has shut-down the production of ceramic tiles in India, mainly owing to the prolonged lockdown in two quarters of year 2020. This has hampered the growth of India ceramic tiles market significantly from the first quarter during 2021. Moreover, the COVID-19 has already affected the residential and commercial construction industry and is likely to cause a negative impact on the market growth throughout the year. Apart from these challenges, Ceramic industry is facing challenges with regards to raw material availability, environmental issues, social issues, products dumping from China and energy availability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMING PART OF THE DIRECTORS' REPORT (Contd.)

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The financial performance and operational performance have been more fully described in the Director's Report. Shareholders may refer to the same in the Director's report and financial statements for further reference.

OUTLOOK

India is one of the fastest-growing ceramic tile markets in the world, fuelled by the growing construction sector in the country and a rise in exports to the advanced nations, the Indian ceramic industry, which has the potential to be the largest producer in the world, is looking to double its turnover in the coming years. The domestic industry has also now moved on from traditional products such as floor tiles to other value-added products such as glazed vitrified tiles and polished vitrified tiles.

While, domestic sales were impacted, due to Covid-19-induced lockdown in the country, exports remained continued to grow in 2021-22 which restricted the decline in overall size of the industry. Non-availability of migrant labour on construction sites is a concern and may impact project deliveries. Supply chains too have been impacted post COVID-19 restricting availability of materials needed for production of tiles in the short term.

RISKS AND CONCERNS

COVID-19 has already impacted on every country's GDP. The nationwide lockdowns and the shutdown of non-essential industries have caused a downfall in the global economy. The falling demand from customers worldwide has led the world into a global recession and total recovery is not expected in the near future. Many construction projects and activities, including government infrastructure projects, which were initially running, came to a complete halt due to the imposition of lockdowns. Even after the easing of lockdowns restrictions in several countries, construction companies will work with reduced finances, labor, and working hours, which is further going to delay project deliveries. It is estimated that initially, government projects will resume operations; however, with the constraint of budgeted revenue, it will be difficult for even government to finance the big projects for the rest of the year. The impact of the slowdown of the construction industry was felt by the ceramic tiles industry as well. Apart from the shutdown of production facilities, the cancellation of several projects in the commercial and industrial construction sector will lead to the reduced demand for ceramic tiles in 2021-22.

Apart from the above, manufacturing of tile is an extremely energy-intensive manufacturing process; power, gas, and transportation cost are the vital cost-related concerns impacting the industry. Uniformity in power and fuel availability at reasonable rates is vital for the growth of the ceramic tiles industry. Volatile and unstable markets have significant negative consequences, which are primarily faced by the manufacturing organizations. Furthermore, there is greater volatility in the pricing of raw materials used for manufacturing ceramic tiles. Rising costs and unexpected deviations in raw material price levels destabilize the supply chains and render it difficult for manufacturers to sustain in the competitive ceramic tiles market.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has aligned its current systems of internal financial control with the requirement of Companies Act 2013, which is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness.

The Company's Internal Control System, is line with its size, scale and complexity of operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company. The Company has also appointed a practicing chartered accountant to conduct the internal audit and to submit a report for the Board. The internal control procedures are adequate and efficient.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance and operational performance have been more fully described in the Director's Report. Shareholders may refer to the same in the Director's report for further reference.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMING PART OF THE DIRECTORS' REPORT (Contd.)
MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Over the last year Human Resource Department has taken various initiatives for employee benefit and retention. Management also continues to give due importance for Manpower training and motivation from time to time. The Company continued to engage services of senior level personnel even at branches level to ensure better control and coordination. The understanding between the Management and workers continues to be cordial. As at the end of the year the Company had 285 employees on the rolls.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the year under review, the followings are significant changes (i.e. changes of 25% or more as compared to the immediate previous financial year) in key financial ratios have been occurred.

Sl. No.	Ratio	FY 2020-21	FY 2019-20	Variance (%)
1	Current Ratio	1.54	1.46	+5.48%
2	Total Outside Liability/Tangible Net Worth	0.35	0.23	+52.17%
3	Fixed Assets Coverage Ratio	1.15	1.10	+4.55%
4	Interest Coverage Ratio	0.50	1.83	-72.68%
5	Debt Equity Ratio	0.25	0.23	-8.70%
6	Fixed Assets Ratio	0.26	0.36	-38.46%
7	Debt Service Coverage Ratio	0.86	1.64	-47.56%
8	Debtors Turnover	2.54	2.51	+1.20%
9	Inventory Turnover	0.77	1.03	-25.24%
10	Operating Profit Margin (%)	8.48	26.17	-67.60%
11	Net Profit Margin (%)	-14.72	2.96	-114.72%

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

There are no major changes in return on Net Worth as compared to the immediately previous financial year except carry forward profit or losses. However, Return on net worth was impacted due to lower profitability.

DISCLOSURE OF ACCOUNTING TREATMENT

There are no changes in accounting treatments for the financial year ended March 31, 2021. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. Your Company has been adopted "IndAS" since April 01, 2017.

CAUTIONARY STATEMENT

Opportunities, threats, outlook, forecasts etc. in any form and manner, made in this section or any other sections of this Annual Report are purely based on certain assumptions and expectation of future event, actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finished goods prices, changes in Government Regulations and Tax regime, etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

	By order of the Board	
	For Murudeshwar Ceramics Limited	
Place : Bengaluru	Satish Rama Shetty	Naveen Rama Shetty
Date : August 13, 2021	Chairman & Managing Director (DIN 00037526)	Director (DIN 00058779)

CORPORATE GOVERNANCE REPORT

“Good Corporate Governance is about maximizing shareholders value on a sustainable basis while ensuring fairness to all stakeholders; customers; investors; employees; government and society”

1. PHILOSOPHY AND CORPORATE GOVERNANCE

Philosophy of the company on corporate governance oversees the business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

The corporate governance standards have been framed by the Board of Directors of the Company which provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders. The Board has defined a set of corporate governance best practices and guidelines to help fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations as and when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board, at its discretion, may change these guidelines periodically to achieve our stated objectives.

The Company is in compliance with the requirements in terms of Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to Corporate Governance.

2. BOARD OF DIRECTORS

As on the date of this report the composition of the Board of Directors is as follows:

2.1 Non-Executive Directors

- | | |
|---|---|
| 1) Dr Rama Nagappa Shetty | : Chairman & Director (till 17.12.2020) |
| 2) Dr. Shivabasayya Siddaramayya Hiremath | : Independent Director. |
| 3) Shri Annappayya | : Independent Director |
| 4) Shri Sankappa Keremane Shetty | : Independent Director |
| 5) Smt. Sarvani Alva | : Independent Director |
| 6) Shri Sunil Rama Shetty | : Non-Executive Director |
| 7) Shri Naveen Rama Shetty | : Non-Executive Director |
| 8) Shri Sathya Murthy Padaki | : Independent Director |

2.2 Executive Director

- | | |
|------------------------------|--------------------------------|
| 9) Shri Satish Rama Shetty | : Chairman & Managing Director |
| 10) Shri Karan Satish Shetty | : Whole Time Director |

The Board has Seven Non-Executive directors out of which five are independent directors. The said composition is in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and the Whole Time Director have been appointed for a term of five years effective from their respective date of their appointment. All the directors are resident Indian. Smt. Sarvani Alva is the woman Independent Director.

None of the above said Non-Executive Directors has any pecuniary relationship or transaction with the Company excepting eligibility for Sitting Fees and reimbursement of expenses incurred for attending the Board Meetings. Promoters Shri Sunil Rama Shetty and Shri Naveen Rama Shetty continue to not receive any kind of remuneration for attending any Board and/or Committee meetings as they have waived their entitlement for such remuneration.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, Section 149(6) of the Companies Act, 2013 and rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the

CORPORATE GOVERNANCE REPORT (Contd.)

criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent from the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

a. Brief Particulars of Directors appointed / re-appointed and cessation :

Pursuant to regulations of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, brief particulars of Directors appointed / reappointed are furnished hereunder :

(a) Shri Sunil Rama Shetty (DIN - 00037572) : Pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 ("Act"), and rules made thereunder and as per provisions contained in the Articles of Association of the Company, resolution for reappointment of Shri Sunil Rama Shetty (DIN 00037572), as a director without affecting his current position, who is liable to retire by rotation has been placed for shareholders' approval. Shri Sunil Rama Shetty is the promoters' Director since inception.

(b) Dr. Rama Nagappa Shetty (DIN – 00038810) : Due to sad and sudden demise of our beloved Dr. Rama Nagappa Shetty, Chairman of the Company on 17th December, 2020 has vacant the office of Chairman and directorship on 18th December, 2020. Lt. Dr. Rama Nagappa Shetty (15 August 1928 – 17 December 2020) was an Indian entrepreneur and philanthropist. He was the owner of R N Shetty Group of companies, including RNS Infrastructure Limited, RNS Motors Limited, Murudeshwar Ceramics limited, Naveen Hotels Limited and Murudeshwar Power Corporation Limited etc. He was the chairman of a chain of educational institutions under the R N Shetty Trust. He was a recipient of the Karnataka state government's Rajyotsava Award in 2004.

b. Board qualifications, skills, expertise and competencies :

The Board of Murudeshwar Ceramics Limited comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board in decision making and its committees. The Board members are committed to ensure that the Board of Murudeshwar Ceramics Limited is in compliance with the standards of corporate governance. The Board consist of proper balance of Leadership, Finance, Sales and marketing, Technology, Diversity, Mergers and acquisitions and Global Business.

c. Meetings, Attendance and Membership of Committees:

During the year under review Six (6) Board Meetings were held on June 26, 2020, August 12, 2020, September 26, 2020, November 13, 2020, January 13, 2021 and February 13, 2021 and the gap between any two consecutive Board Meetings has not exceeded 120 days except the first meeting due to outbreak of Covid-19 Pandemic. However, SEBI and MCA have already given relaxation in this regard.

The following are the particulars of attendance of directors at the Board / General Meetings of the Company and memberships of Committees and number of other directorships, of each director during the year 2020-21.

Sl. No.	Name of Director	BOARD MEETINGS		Whether attended last AGM	COMMITTEES		Other director -ships held
		Held	Attended		Memberships	Chairman	
1	Dr. Rama Nagappa Shetty (Upto 17.12.2020)	6	3	No	4	-	13
2	Dr. Shivabasayya Siddaramayya Hiremath	6	6	Yes	1	1	3
3	Shri Annappayya	6	6	Yes	1	2	1
4	Shri Sankappa Keremane Shetty	6	6	Yes	2	2	3
5	Smt. Sarvani Alva	6	5	No	1	-	1
6	Shri Satish Rama Shetty	6	6	Yes	5	-	15
7	Shri Sunil Rama Shetty	6	5	No	1	-	13
8	Shri Naveen Rama Shetty	6	6	Yes	-	-	14
9	Shri Karan Satish Shetty	6	6	Yes	-	-	-
10	Shri Sathya Murthy Padaki	6	4	No	-	-	-

Note : Membership in Committees & Chairman includes all other public companies. Other directorship includes all companies. However, no directors of Murudeshwar Ceramics Limited are holding directorship in any other listed company except on the Board of Murudeshwar Ceramics Limited.

CORPORATE GOVERNANCE REPORT (Contd.)

d. Web link where details of Familiarisation Programmes imparted to Independent Directors is disclosed:

Pursuant to regulations 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with a view to familiarize the Independent Directors with the company's operations, the company has conducted a programme details of which are available on the website of the Company at www.naveentile.com.

e. Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

During the year under review no Independent Director has tendered their resignation.

f. Confirmations that in the opinion of the board, independent directors fulfill the conditions specified in these regulations and are independent from the management.

As per declarations submitted by the Independent Directors as prescribed by laws and as per the parameters of the skills and knowledges, in the opinion of the Board of the Company, all the Independent Directors fulfill the conditions specified in the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the criteria set under the Companies Act, 2013 and rules made their under.

g. Disclosure of relationships between directors inter-se:

No directors are related to each other except Shri Satish Rama Shetty, Shri Sunil Rama Shetty and Shri Naveen Rama Shetty are brothers and Shri Karan Satish Shetty is a son of Shri Satish Rama Shetty.

3. CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for all the Board Members and senior management personnel of the Company. In the above context, Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended 31.03.2021 and necessary declaration from Managing Director is annexed forming part of this report.

4. AUDIT COMMITTEE

Audit Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and rules framed thereunder.

Composition	Extract of terms of reference
1. Shri Sankappa Keremane Shetty Chairman ; 2. Dr. Rama Nagappa Shetty, Member(till 17.12.2020)* 3. Shri Satish Rama Shetty Member(since 18.12.2020)*; and 4. Shri Annappayya The Chairman, Shri Sankappa K Shetty and Shri Annappayya, members are independent non-executive directors. Shri Satish Rama Shetty, member is the Chairman & Managing Director of the Company. The Company Secretary acts as the Secretary to the Audit Committee.	● Oversight of financial reporting process. ● Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval. ● Evaluation of internal financial controls and risk management systems. ● Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. ● Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same. ● To consider matters with respect to the Company's Code of Conduct. ● To Carrying out other function as is mentioned in the terms of reference of the audit committee. Audit Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

*Dr. Rama Nagappa Shetty, member has resigned from the membership of the Audit Committee due to his sad and sudden demise on 17.12.2020.

*Shri Satish Rama Shetty, Vice Chairman & Managing Director of the Company has been appointed as a member of the Audit Committee w.e.f. 18.12.2020 in place of Dr. Rama Nagappa Shetty.

During the year under review four (4) Audit Committee Meetings were held June 26, 2020, August 12, 2020, November 13, 2020, and February 13, 2021 and gap between any two consecutive Meetings has not exceeded 120 days except the first meeting due to outbreak of Covid-19 Pandemic. However, SEBI and MCA have already relaxed on this regard.

CORPORATE GOVERNANCE REPORT (Contd.)
5. NOMINATION AND REMUNERATION COMMITTEE:

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

Composition	Extract of terms of reference
1. Shri. Annappayya – Chairman; 2. Dr Shivabasayya Siddaramayya Hiremath – Member; and 3. Shri Sankappa Keremane Shetty – Member; and The Company Secretary acts as the Secretary to the Audit Committee. All the members including the Chairman of the Committee are non-executive and Independent Directors.	- Recommend to the Board the setup and composition of the Board and its Committees. - Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel. - Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. - Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees. Oversee familiarization programs for Directors.

During the year the Remuneration Committee has met 2 times on 26.06.2020 and 12.08.2020 and all three Directors Shri Annappayya, Dr. Shivabasayya Siddaramayya Hiremath and Shri Sankappa Keremane Shetty attended the meeting.

● **Remuneration Policy** : The Committee reviews the remuneration package for Executive Directors periodically with reference to trends prevailing elsewhere for similar industry for similar positions. The Board of Directors decides on a suitable remuneration package to the Executive Directors based on recommendations of the Remuneration Committee and submits the same for approval of members.

Details of Remuneration paid / accrued to Executive Director for the year ended 31.03.2021 :

Name of Executive Director	Salary (₹)	Perquisites & Amenities (₹)	TOTAL (₹)
Shri Satish R Shetty, Chairman & Managing Director	60,00,000.00	12,00,000.00	72,00,000.00
Shri Karan Satish Shetty	24,00,000.00	99,996.00	24,99,996.00
Total	84,00,000.00	12,99,996.00	96,99,996.00

NOTE :

- None of the above said remuneration /benefits are performance linked.
- The Executive Directors shall discharge their duties under the supervision, control and directions of the Board of Directors from time to time. There is no service contract or agreement.
- The Term of office of the above said Directors are five years for both the Managing Director and for the Whole Time Director effective from their respective dates of appointment or re-appointment.
- Directors are entitled to sitting fee of ₹25,000/- per Board meeting and ₹5,000/- per committee meeting attended and reimbursement of travel and other incidental expenses.
However, the said Executive Directors continue to not receive any kind of sitting fees for attending any Board and / or Committees' meetings as they have waived their entitlement for such remuneration.

● **Pecuniary Relationship / transaction of Non-Executive Directors**

Non-Executive Independent Directors of the Company have no pecuniary relationship or transaction with either the Company or with any Promoters of the Company.

The Non-Executive Directors are entitled to sitting fees of ₹25,000/- for every Board meeting and ₹5,000/- for committee meetings attended and reimbursement of travel and stay expenses for each meeting attended. However, Shri Sunil R Shetty and Shri Naveen R Shetty Directors (Relative of Shri Satish R Shetty) continue to not receive any kind of remuneration for attending any Board and/or Committee meetings as they have waived their entitlement for such remuneration

● **Remuneration Package of Non-Executive Directors**

The remuneration packages of Non-Executive Directors have been furnished in paragraph 5.3(b) as above. No Non-Executive Directors are getting any remuneration except Independent Directors who are getting only sitting fees for attending Board Meetings and Committee's meetings.

CORPORATE GOVERNANCE REPORT (Contd.)
Share holding of Directors as on March 31, 2021.

Name of Director	Nature of office of Director	Shares held	Percentage to Eq. Capital
Dr. Rama Nagappa Shetty	Non-Executive (till 17-12-2020)	26,808	0.05
Shri Satish Rama Shetty	Executive	11,10,402	2.12
Shri Sunil Rama Shetty	Non-Executive	11,11,102	2.12
Shri Naveen Rama Shetty	Non-Executive	11,10,502	2.12
Shri Annappayya	Non-Executive (ID)	Nil	0.00
Shri Sankappa Keremane Shetty	Non-Executive (ID)	Nil	0.00
Dr. Shivabasayya Siddaramayya Hiremath	Non-Executive (ID)	2,300	0.00
Smt. Sarvani Alva	Non-Executive (ID)	Nil	0.00
Shri Karan Satish Shetty	Executive	9,800	0.02
Shri Sathya Murthy Padaki	Non-Executive (ID)	Nil	0.00

None of the above directors holds any convertible instruments of the Company.

6. STAKEHOLDERS GRIEVANCE COMMITTEE

The Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the year under review the committee was met on 26.06.2020.

Composition	Extract of terms of reference
- Shri. Annappayya – Chairman; - Dr. Rama Nagappa Shetty – Member (till 17.12.2020)* - Shri Sankappa Keremane Shetty - Member; and - Shri Satish Rama Shetty – Member (since 18.12.2020)* The Company Secretary acts as the Secretary to the Audit Committee.	- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. - Review of measures taken for effective exercise of voting rights by shareholders. - Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent. - Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

- Dr. Rama Nagappa Shetty, member has resigned from the membership of the Committee due to his sad and sudden demise on 17.12.2020.
- Shri Satish Rama Shetty, Vice Chairman & Managing Director of the Company has been appointed as a member of the Committee w.e.f. 18.12.2020 in place of Dr. Rama Nagappa Shetty.

7. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee of Murudeshwar Ceramics Limited (“the Company”) has been constituted in line with the provisions of Section 135 of Companies Act, 2013 and Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs on February 27, 2014. During the year under review the committee has conducted a meeting on February 13, 2021.

Composition	Extract of terms of reference
- Shri Satish Rama Shetty – Chairman; - Dr. Shivabasayya Siddaramayya Hiremath – Member; and - Shri Naveen Rama Shetty - Member	- Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013. - Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013. - Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

The Company Secretary acts as the Secretary to the Audit Committee.

- Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- Monitor the implementation of the CSR Policy from time to time.
- Such other functions as the Board may deem fit.

8. OTHER COMMITTEES

In order to closely monitor the day to day administration and speed up the administrative procedures, the Sub- Committee of the Board called the "Executive Committee" is functioning under the overall control and supervision of the Board of Directors.

Following Directors are members of the said Executive Committee:

- 1) Dr. Rama Nagappa Shetty, (till 17.12.2020); 2) Shri Satish Rama Shetty; 3) Shri Sunil Rama Shetty; 4) Shri Naveen Rama Shetty; 5) Shri Annappayya and 6) Shri Sankappa Keremane Shetty

The said Committee has been discharging all the functions and responsibilities vested in it by the Board of Directors from time to time. Decisions taken by the Committee will be referred to the Board for review and suggestions, if any.

9. INDEPENDENT DIRECTORS MEET:

The Independent Directors of the Company have been holding one meeting in a year, without the attendance of non-Independent Directors and members of management. Independent Directors on the Board to abide by the provision specified in Schedule IV of the Companies Act, which defines Code for Independent Directors. Accordingly, a meeting of independent Directors was held by the independent directors on February 13, 2021. All the Five independent Directors attended the meeting.

10. DISCLOSURES:

- a. **Materially significant related party transactions:** All Related party transactions have been furnished in the Note 27.2 forming part of the statement of accounts. None of the transactions stated therein may be considered to have potential conflict with the interests of the Company and all transactions are in the usual course of business of the Company. The related party transactions, in the ordinary course of business are subject to periodical review by the audit committee. Policy for determining 'material' subsidiaries and policy on dealing with related party transactions have already placed on the website of the company at www.naveentile.com.
- b. **Disclosures of transactions of the listed entity:** with any person or entity belonging to the promoter/promoter Group which hold(s) 10% or more shareholding in the listed, has been shown in Note 27.2 forming part of the statement of accounts as under for the financial year 2020-21:

(₹ In Lakhs)

Name of Party	Sales	Purchase	Dividend Receipts	Service Receipts	Closing Balance
Murudeshwar Power Corporation Ltd.	-	-	68.51	587.18	590.90
RNS Infrastructure Ltd.	52.20	97.79	-	1,733.76	699.15

- c. **Board Disclosures and Risk Management :** The Company has regular procedure of reporting to the Board on quarterly basis about all significant transactions, developments, policies etc., concerning the Industry in general and the Company in particular. The Board reviews the same and also uses the same as tool of risk assessment, planning and control.
- d. **Disclosures under the SEBI Regulations 2015 :** The Company has been regular in making timely disclosures as prescribed under the SEBI Regulations 2015. The Company has not been subjected to any penalties or strictures either by SEBI or by Stock Exchanges in the last three years. However, the Stock Exchanges have imposed penalty on the company due to violation of Regulations 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. **Disclosures in relation to the Sexual Harassment of Women at workplace :** Your Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity. The Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its employees are not subjected to any form of harassment. Your Company has a set of Policy in this respect. The following Statement shows the details of complaint received during the F.Y. 2020-21.

CORPORATE GOVERNANCE REPORT (Contd.)

Particulars	Redressal
Number of complaints filed during the financial year	NIL
Number of complaints disposed during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

- f. Total fees for all services paid by the listed entity to the Statutory Auditor:** During the year under review the company has paid the following amounts to the Statutory Auditors of the Company:

Particulars	Amount (₹ in lakhs)
Statutory Audit Fees	3.00
For Taxation Matter	0.50
For management services	0.50
Reimbursement of expenses	2.00

- g. Acceptance of recommendation of committees :** The Board of Directors of the Company has always accepted the recommendations from the all committees of the Board which are mandatorily required during the financial year 2020-2021.
- h. Details of compliance with mandatory requirements and adoption of the non- mandatory requirements :** Your companies always try to comply with all laws, rules, regulations, notifications, circulars, recommendation and advisory issued by the various statutory departments from time to time. During the year under review your company has complied with all the applicable laws from time to time.

11. GENERAL BODY MEETINGS

The three Annual General Meetings of the Company were held at Shri R N Shetty Kalyana Mantap, Opp. Glass House, Hubballi on the following dates:

Year ended	Date of Meeting	Time	Special Resolutions was passed
2019-20	26.09.2020	3.00 p.m.	- To re-appoint Shri Satish Rama Shetty (DIN 00037526), as the Managing Director for the further period of five years w.e.f. 26.06.2020 and also designate him as the Vice - Chairman of the Company; and - Continuation of directorship of Shri Annappayya (DIN: 03558522) as an Independent Director.
2018-19	28.09.2019	3.00 p.m.	- Approval for setting a threshold limit and to provide Power to the Board of Directors under Section 180(1) of The Companies Act, 2013; - Approval for setting a threshold limit to Make Investments, Give Loans, Guarantees and Provide Securities under Section 186 of the Companies Act, 2013 and provide power to the Board of Directors; - Approval for setting a threshold limit under section 185 and provide power to the Board of Directors; - Approval for enter into Related Party Transactions as prescribed under section 188 and provide power to the Board of Directors; - Approval for re-appointment of Smt. Sarvani Alva (DIN: 06896403), as an Independent Director with effect from 31st July, 2019 for the period of next consecutive five years; - Approval for re-appointment of Shri Sankappa Keremane Shetty (DIN 00894366) as an Independent Director with effect from 31st July, 2019 for the period of next consecutive five years; - Approval for re-appointment Shri Annappayya (DIN 03558522) as an Independent Director with effect from 31st July, 2019 for the period of next consecutive five years.

CORPORATE GOVERNANCE REPORT (Contd.)

			8. Approval for re-appointment Dr. Shivabasayya Siddaramayya Hiremath (DIN 02272897) as an Independent Director with effect from 31 st July, 2019 for the period of next consecutive five years.
2017-18	28.09.2018	4.00 p.m.	1. To Regularisation of Additional Director, Mr. Karan Satish Shetty, by appointing him as Director (Executive Director) of the Company; 2. To appoint and fix remuneration of Mr. Karan Satish Shetty (DIN: 08168200) as the Whole Time Director of the Company.

b. **Extra Ordinary General Body Meetings :** None

c. **Details of Special Resolution Passed last year through Postal Ballot :** Pursuant to Section 110 of the Companies Act, 2013 ("the Act"), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), consent of the Members of the Company was sought by way of Special Resolution through Postal Ballot Notice dated 13th November, 2020 by means of voting through electronic means (remote e-voting) on the following Special Resolution:

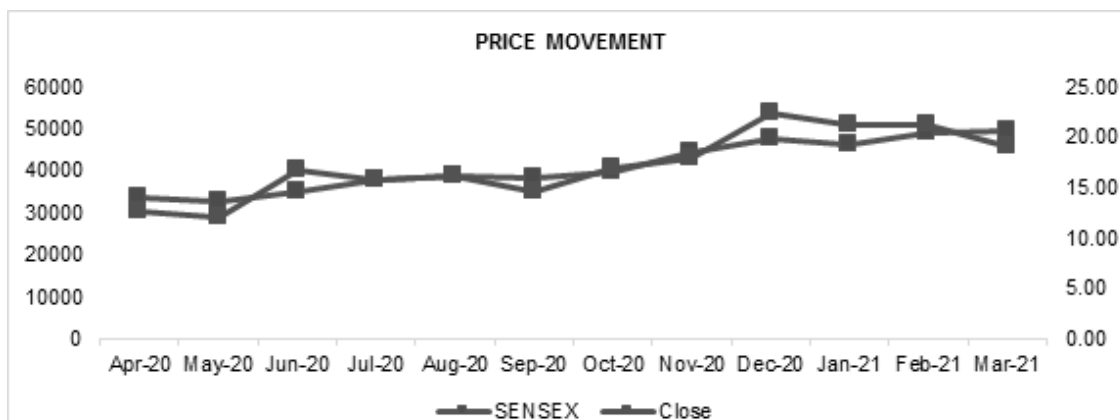
1. *Issuance of Equity Shares and Share Warrants convertible into Equity Shares to Murudeshwar Power Corporation Limited and Naveen Mechanised Construction Company Private Limited, promoters' group of the Companies, on a preferential basis.*

12. MEANS OF COMMUNICATION :

- a. The quarterly, half-yearly and annual Financial Results prescribed under Regulation 33 of SEBI (LODR) Regulations 2015 were published in Financial Express in English Version and Udayavani in Vernacular text and also made available on the website of the company at www.naveentile.com and the website of exchanges at www.bseindia.com and at <https://www.nseindia.com> respectively.
- b. The Presentations made to Institutional Investors were mainly on case-to-case basis and purely related to matters concerning the Company and corresponding Lenders. No analysts were involved during the year.
- c. The Company's website www.naveentile.com contained a separate dedicated section "**Investor Relations**" where all shareholders' information are available. The Company's Annual Report and all other necessary documents prescribed under SEBI (LODR) Regulations, 2015 is also uploaded on the website in a user friendly and downloadable form.
- d. All periodical compliances filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically through NSE NEAPS and BSE Listing Centre maintained by National Stock Exchange of India Limited and Bombay Stock Exchange Limited respectively.
- e. The investor complaints are processed in a centralized web based complaints redress system of SEBI Complaints Redress System (SCORES). The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- f. The Management Discussion and Analysis report is separately annexed forming part of the Directors' Report.

13. GENERAL INFORMATION TO SHAREHOLDERS

- a. **Outstanding GDR / ADR / Warrants / any other Convertible Instruments :** Nil.
- b. **Commodity Price risk of foreign exchange risk and hedging risk :** The Company has a Risk Management policy which the company follows in case of such situation.
- c. **Plant Location :** Please refer first page of the Annual Report.
- d. **Annual General Meeting**
 - (a) Date and time : Saturday, 25th day of September, 2021 at 3.00 p.m. IST
 - (b) Venue : Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi - 580 029.
- e. **Financial Year :** 1st day of April to 31st day of March of succeeding year.
- f. **Books Closure :** From Saturday, September 18, 2021 to Saturday, September 25, 2021 (both days inclusive)
- g. **Stock Exch. on which listed and Stock Code**
 - a) Bombay Stock Exchange Ltd., (Stock Code 515037)
 - b) National Stock Exchange of India Ltd., (Symbol MURUDCERA)

CORPORATE GOVERNANCE REPORT (Contd.)
h. Murudeshwar Ceramics Limited Vs BSE SENSEX in the financial Year 2020-21 :

i. Murudeshwar Ceramics Limited Vs. NIFTY 50 in the financial Year 2020-21 :

j. Market Price Data

Month		BSE		NSE	
		Highest ₹	Lowest ₹	Highest ₹	Lowest ₹
April	2020	13.50	12.65	13.50	12.55
May	2020	11.95	11.95	12.20	11.65
June	2020	17.70	16.70	17.95	16.60
July	2020	16.00	15.10	16.00	15.50
August	2020	16.80	15.95	17.00	16.00
September	2020	14.75	14.50	14.75	14.30
October	2020	17.50	16.51	17.50	16.50
November	2020	18.15	17.65	18.25	17.50
December	2020	23.20	20.40	24.00	20.10
January	2021	21.90	20.85	21.85	20.90
February	2021	22.00	20.75	21.90	21.10
March	2021	19.50	18.95	19.70	19.00

CORPORATE GOVERNANCE REPORT (Contd.)

k. Share Transfer System and Dematerialization

At the end of March 31, 2021, the Company had 18,454 shareholders holding 5,23,31,312 equity shares of the Company. Out of the which 17,039 members (92.33%) hold 5,19,77,931 (99.32%) shares in dematerialized form. The Balance of 1,415 members (7.67%) hold 3,53,381 equity shares (0.68%) in physical form.

From the records it is clear that 1,415 (7.67%) of the total number of members holding in all 3,53,381 (0.68%) in physical form have still not taken action to dematerialize their shares, in spite of various reminders and appeal made by the Company in the interest of such members. Since, the trading of shares of this Company is allowed by Stock Exchanges only in dematerialized form, members holding shares in physical form will lose the advantage of easy liquidity for their shares unless their shareholding is dematerialized. Such members are requested to dematerialize their shares in their own interest. Members may please contact their Depository Participants or may contact the Company Secretary for guidance.

Note : a) The particulars of Share Transfer Agents for all Share related matters are furnished at the end of of this Report.

l. Distribution of Shareholding as on 31.03.2021

Nominal Value of Shares	No. of Holders	%	Share Amount	
			in ₹	% to Paid-up Capital
Upto 5,000	14,186	76.87	23,37,293	4.47
5,001 - 10,000	2,082	11.28	17,80,292	3.40
10,001 - 20,000	1,084	5.87	17,03,081	3.25
20,001 - 30,000	410	2.22	10,73,223	2.05
30,001 - 40,000	170	0.92	6,14,065	1.17
40,001 - 50,000	156	0.85	7,47,188	1.43
50,001 - 1,00,000	204	1.11	15,42,709	2.95
1,00,001 & Above	162	0.88	4,25,33,461	81.28
TOTAL	18,454	100.00	5,23,31,312	100.00

m. Shareholding Pattern as on 31.03.2021

Sl. No.	Category of Shareholder	Shares as on 31-03-2021	% of Holding
1	Financial Institutions Govt. Sponsored (Insurance Companies)	67,901	0.13
2	Mutual Funds	700	-
3	Banks/Financial Institutions	4,698	0.01
4	NRI's	6,27,969	1.20
5	Hindu Undivided Family	4,44,312	0.85
6	Foreign Institutional Investors	900	-
7	Promoter Directors & their Relatives	3,65,50,676	69.85
8	Other Bodies Corporates	7,78,960	1.49
9	Clearing Members	90,068	0.17
10	Resident Individuals	1,37,65,128	26.30
	TOTAL	5,23,31,312	100.00

n. Compliance with non-mandatory requirements under Corporate Governance Provisions

The Company has taken action to comply with Non-mandatory requirements to the following extent:

- 1) The Dr. Rama Nagappa Shetty, Non-Executive Director was Chairman Upto 17.12.2020 and is entitled to reimbursement of expenses incurred for the Business purposes of the Company. However, the Chairman has waived his entitlement to remuneration for attending Board/ Committee Meetings. At present Shri Satish Rama Shetty is the Chairman and Managing Director of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

- 2) **Audit qualification:** The Company is in the regime of unqualified financial statements.
- 3) **Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee.
- 4) **Training of Board Members:** All new Non-Executive Directors inducted to the Board are introduced to the Company culture with appropriate orientation sessions. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings on business and performance updates of the Company, global business environment, business strategy and risks involved.
- 5) **The Whistle Blower Policy:** The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairman of the Audit Committee in exceptional cases. The existence of the policy/mechanism is communicated through appropriate manuals within the organization.
- 6) **Risk Management:** The Board reviews the Company's risk management practices and activities periodically. This includes comprehensive review of various risks attached to the company's business for achieving key objectives and actions taken to mitigate them. The Board review and advises on risk management aspects inter alia in the areas of leadership development, information security, project management and execution risks, contracts management risks, financial risks, forex risks and geopolitical risks.

o. General

- 1) Members of the Company may nominate a person to whom share(s) held by such Member/s shall vest in the event of the death of such member/s. Such Nomination should be prescribed as under the Companies Act, 2013.
- 2) Members holding shares in physical form may please furnish their change of address, if any, and Bank Account details to the Company from time to time to enable the Company to update such particulars in the corresponding ledger folios for prompt delivery of any communication from the Company.
- 3) It is noticed that some of the members holding shares in dematerialized form have not updated address, e-mail, phone numbers and Bank account details with their Depositories through their DPs. Some members holding dematerialized shares request the Company for updating the particulars. Members may please note that the Company has no access to their Demat accounts and all such corrections have to be got updated by the members in their Demat accounts through their respective DPs.

p. Address for Communication :

1. Members may contact **Company Secretary at the Registered Office of the Company at Murudeshwar Bhavan, 604/B, Gokul Road, Hubli – 580 030 [Phone: 0836 – 2331615 (upto 18)], Fax: 0836 – 4252583 or at 7th Floor, Naveen Complex, No. 14, M. G. Road, Bengaluru – 560 001** (Phone-080-25584181. Fax: 080-25584017) for clarifications or grievances if any.
2. In respect of members holding shares in physical form, all correspondences relating to share transfers, transmissions, issue of certificates on split-up/ consolidation/ replacement, change of address and dematerialisation requests may be addressed to the Share Transfer Agents – **Canbank Computer Services Limited at its Office at No.218, "J.P.ROYALE", 1st Floor, 2nd Main, Sampige Road, Near 14th Cross, Malleswaram, Bengaluru – 560 003.** Phone: 080-23469661 - 62, Fax: 080 – 23469667 - 68.
3. The Company has designated a separate E-mail Id – investor@naveentile.com for the benefit of members to report their grievances, if any, regarding their shareholding, transfers / transmissions and dividends.

q. Other Provisions:

Certificate from Auditors: Statutory Auditors have certified that the Company has complied with Corporate Governance Provisions. A copy of the said certificate is annexed forming part of this Report.

Place : Bengaluru
Date : August 13, 2021

For and on behalf of the Board
Satish Rama Shetty **Naveen Rama Shetty**
Chairman and Managing Director Director
(DIN 00037526) (DIN 00058779)

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE PROVISIONS

To,

**The Members,
Murudeshwar Ceramics Limited**

We have examined all relevant records of Murudeshwar Ceramics Limited (the Company) for the purpose of certifying compliance of conditions of Corporate Governance under Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended on March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause / Regulations.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For K G RAO & CO.,
Chartered Accountants
ICAI FIRM REG No : 010463S
KRISHNARAJ K

Partner

Membership No : 217422
UDIN : 21217422AAAAABL1708

Place : Bengaluru

Date : 29-06-2021

DECLARATION REGARDING COMPLIANCE WITH COMPANIES CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

To

**The Members
Murudeshwar Ceramics Ltd.**

This is to confirm that the Company has laid down Code of Conduct for all Board members and senior management personnel of the Company and a copy of the said Code of Conduct is available on the Company's website at www.naveentile.com.

This is also to confirm that the members of the Board of Directors and senior management personnel within the meaning of the said Code of Conduct have affirmed compliance with the said Code of Conduct applicable to them for the year ended 31.03.2021.

For Murudeshwar Ceramics Limited

SATISH R SHETTY

Chairman and Managing Director
(DIN 00037526)

Place : Bengaluru

Date : August 13, 2021

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

To

**The Board of Directors,
Murudeshwar Ceramics Limited**

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2021 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omission any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that they have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies if any in the design or operation of such Internal Controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- D. We have indicated to the Auditors and the Audit Committee ;
- (1) Significant changes in Internal Control over Financial reporting if any during the year;
 - (2) Significant changes in Accounting Policies if any during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud if any of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over Financial Reporting.

For Murudeshwar Ceramics Limited

Place : Bengaluru	Satish Rama Shetty	Narayan Manjunath Hegde
Date : August 13, 2021	Chairman and Managing Director	VP Finance & CFO
	(DIN 00037526)	

INDEPENDENT AUDITORS' REPORT

To,

The Members of MURUDESHWAR CERAMICS LIMITED

Report on the Audit of Standalone Ind AS Financial Statement

Opinion:

We have audited the standalone Ind AS financial statements of **Murudeshwar Ceramics Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit / loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules there under, 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 on the Standalone Financial Statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

we have determined the matters described below to be the Key Audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
1. Inventory The Value of inventory as at 31.03.2021 is 10,449.56 lakhs which is 22.14% of total asset value. given the size of the inventory balance relative to the total asset size of the company, the valuation of inventory required significant audit attention As disclosed in the notes forming part of statement of accounts inventories are held at the lower of cost or net realisable value determined using weighted average cost The determination of valuation of inventory requires management to exercise qualitative judgments and apply assumptions	We have performed the following procedures w.r.t valuation of the inventory and assessment of procedures of physical verification of inventory during the period to ensure accuracy of inventory reporting. On a sample basis, we tested the net realisable value of inventory to recent selling prices. We have also considered the stock audit report by stock auditors engaged by the lending bank to ensure that there are no inconsistencies in reporting. At the year end the valuation of inventory is reviewed by management and cost of inventory is revalued where inventory is forecast to be sold below cost. In the view of the management, basic raw material used is clay for manufacturing of tiles and the same being a natural resources, does not have any depletion in value over the passage of time.
2. Property, Plant and Equipment Additions to Fixed assets during the year were 836.45 lakhs(including CWIP of the previous year).	Our audit procedures included testing the design implantation and operating effectiveness of controls in respect of review

INDEPENDENT AUDITORS' REPORT (Contd.)

inappropriate timing of capitalization of project/ inappropriate classification of categories of the items of PPE could result in material misstatement of CWIP/ PPE with consequent impact on depreciation charge and results for the year

of capitalization of assets, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation, substantive testing of appropriateness of cut-off date considered for project capitalization

We tested the source documentation to determine whether the expenditure is of capital nature and has been approved and segregated into appropriate categories. We reviewed operating expenses to determine the appropriateness of accounting.

Information Other than the Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS financial statements:

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit / loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management and Board of Directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements:

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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.

INDEPENDENT AUDITORS' REPORT (Contd.)

- 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 standalone Ind AS 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

Communication with those charged with governance

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 relating to preparation of the aforesaid Ind AS financial statements 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 (including other comprehensive income), the statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Ind AS financial statements;

INDEPENDENT AUDITORS' REPORT (Contd.)

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under.
- (e) On the basis of the written representations received from the Directors of the Company as on 31 March 2021 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors' report of the company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended : In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure B**, a statement on the matters specified in the paragraph 3 and 4 of the order.

For K G RAO & CO.,
Chartered Accountants
ICAI FIRM REGN. No. : 010463S
KRISHNARAJ K
Partner
(Membership No : 217422)
UDIN : 21217422AAAAABK5259

Place : Bengaluru

Date : 29-06-2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal & Regulatory Requirement' of our report to the members of Murudeshwar Ceramics Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of Murudeshwar Ceramics Limited

We have audited the internal financial controls over financial reporting of **Murudeshwar Ceramics Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 its business, including adherence to 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 Companies Act, 2013.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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 ICAI.

Place : Bengaluru

Date : 29-06-2021

For K G RAO & CO.,
Chartered Accountants
ICAI FIRM REGN. No. : 010463S
KRISHNARAJ K
Partner
(Membership No : 217422)
UDIN : 21217422AAAABK5259

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal & Regulatory Requirement’ of our report to the members of Murudeshwar Ceramics Limited of even date)

- i. In respect of the Company’s Property Plant and Equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
 - (b) The property, plant and equipment were physically verified by the management in accordance with a regular program of verification which, in our opinion, provides for physical verification of fixed assets at regular intervals. According to the information and explanations given to us, no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification of the inventory.
- iii. According to the information and explanations given to us. the company has not granted the loans/advances, secured or unsecured to the Companies, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and accordingly clause 3(III) (a) to (c) are not applicable to the company and hence not commented there upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities, as applicable.
- v. The Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- c) Details of dues of income tax, excise duty and custom duty which have not been deposited as at 31.03.2021 on account of dispute are as under :

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which Relates	Remarks
The Income Tax Act, 1961	Income Tax	Appellate Tribunal	AY 2007-2008 to 2015-16	Disallowances of expenses and additions to income, Carry forward loss hence no tax demand arises
The Income Tax Act, 1961	Income Tax	CIT Appeals	AY 2006-2007	Disallowances of expenses and additions to income, Tax is paid under MAT, no additional demand

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions. The Company has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments except term Loans which is applied for the purpose for which the same is raised.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has, during the year, at its Board Meeting held on 13th November, 2020 and at its General Meeting conducted through postal ballot on 26th December, 2020, passed resolutions approving "Raising of fund by way of creating, offering, issuing and allotting 47,57,390 equity shares and 53,63,948 share warrants convertible into equity shares in one or more tranches on preferential basis to the Promoters' group".
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under the provisions of clause 3 (xv) of the Order 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 and hence reporting under the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For K G RAO & CO.,
Chartered Accountants
ICAI FIRM REGN. No. : 010463S
KRISHNARAJ K
Partner
(Membership No : 217422)
UDIN : 21217422AAAABK5259

Place : Bengaluru

Date : 29-06-2021

BALANCE SHEET AS AT 31st MARCH 2021

Particulars		Notes	March 31, 2021	March 31, 2020
A	ASSETS		₹ in lakhs	₹ in lakhs
	Non Current Assets			
	Property, plant and equipment	3	29,727.34	30,601.82
	Capital work-in-progress		768.51	204.90
	Financial Assets :			
	Investments	4	390.29	390.29
	Non-Financial Assets (Net)	5	197.58	197.58
	Other Non-Current Assets	5	582.83	66.60
	Total Non-Current Assets (A)		31,666.55	31,461.19
B	CURRENT ASSETS			
	Inventories	6	10,449.56	9,972.38
	Financial Assets :			
	Trade Receivables	7	3,164.66	4,106.72
	Cash and cash equivalents	8	340.40	327.09
	Other current assets	9	1,579.78	1,384.17
	Total Current Assets (B)		15,534.40	15,790.36
	Total Assets (A+B)		47,200.95	47,251.55
C	EQUITY AND LIABILITIES			
	EQUITY			
	Equity share capital	10	5,233.91	4,758.17
	Reserves and Surplus	10	27,838.29	28,671.41
	IND AS Transition Reserve		-	-
	Other equity - (Money Received against Share Warrant)		241.38	-
	Total Equity		33,313.58	33,429.58
D	LIABILITIES			
	Non-Current liabilities			
	Financial liabilities :			
	Borrowings	11	1,470.92	785.14
	Deferred Tax Liability	12	1,387.31	1,794.52
	Trade Payables	13	143.98	214.62
	Lease Liabilities	13	161.95	197.62
	Total Non-Current liabilities		3,164.16	2,991.90
	Current liabilities			
	Financial liabilities :			
	Trade Payables	14	1,879.23	2,352.52
	Other financial liabilities	15	6,847.14	6,950.42
	Other current liabilities	16	1,931.58	1,424.77
	Provisions	17	65.26	102.36
			10,723.21	10,830.07
	Total Equity and Liabilities		47,200.95	47,251.55
In terms of our report attached For K. G. RAO & CO., Chartered Accountants ICAI FIRM REG No : 010463S KRISHNARAJ K Partner Membership No:217422 UDIN : 21217422AAAABK5259 Place : Bengaluru Date : 29-06-2021		For and on behalf of the Board of Directors MURUDESHWAR CERAMICS LIMITED SATISH R. SHETTY Vice Chairman and Managing Director (DIN 00037526) S.S. HIREMATH Director (DIN 02272897) SATHYA MURTHY PADAKI Director (DIN 08276537)	SUNIL R. SHETTY Director (DIN 00037572) ANNAPPAYYA Director (DIN 03558522) SARVANI ALVA Director (DIN 06896403) SANKAPPA K. SHETTY Director (DIN 00894366) ASHOK KUMAR Company Secretary	NAVEEN R. SHETTY Director (DIN 00058779) KARAN SATISH SHETTY Whole Time Director (DIN 08168200) N.M. HEGDE Vice President (Finance) & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

Particulars		Notes	March 31, 2021	March 31, 2020
I	REVENUES		₹ in lakhs	₹ in lakhs
	Revenue from operations	18	8,048.95	10,317.22
	Other Income	19	126.24	850.93
	Total Revenue		8,175.19	11,168.15
II	EXPENSES			
	Cost of materials consumed	20	3,076.37	3,291.76
	Changes in inventory of finished goods and work-in-progress	21	(1.09)	1,377.97
	Employee benefits expense	22	1,217.67	1,236.30
	Finance costs	23	1,592.60	1,599.60
	Depreciation and amortisation expenses	3	1,024.97	992.50
	Other expenses	24	2,859.34	2,339.02
	Total Expenses		9,769.86	10,837.15
III	Profit / (Loss) before tax (I - II)		(1,594.67)	331.00
IV	Tax Expense			
	Current Tax		-	56.79
	Prior period tax		-	(1.01)
	Deferred tax		-	157.41
	Deferred Tax Provision for Earlier years Reversed		(412.18)	-
	Less : MAT Credit Entitlement		-	(56.79)
	Add : MAT Credit Reversed		4.97	-
	Total tax expenses		(407.21)	156.40
V	Profit / (Loss) for the year (III - IV)		(1,187.46)	174.60
VI	Other comprehensive income			
	(a) (i) Items that will not be reclassified to profit or loss			
	'- Remeasurement of defined benefit plans		(32.13)	(35.69)
	(ii) Income tax relating to items that will not be reclassified to profit & loss			
	'- Remeasurement of defined benefit plans		8.35	5.96
	(b) (i) Items that may be reclassified to profit or loss		-	-
	(ii) Income tax on items that may be reclassified to profit or loss		-	-
	Total other comprehensive income		(23.78)	(29.73)
VII	Total comprehensive income for the period (V + VI)		(1,211.24)	144.87
	Earnings per equity share (for continuing operation):			
	Basic in ₹		(2.48)	0.30
	Diluted in ₹		(2.42)	0.30

In terms of our report attached
For **K. G. RAO & CO.,**
Chartered Accountants
ICAI FIRM REG No : 010463S
KRISHNARAJ K
Partner
Membership No:217422
UDIN : 21217422AAAABK5259
Place : Bengaluru
Date : 29-06-2021

For and on behalf of the Board of Directors
MURUDESHWAR CERAMICS LIMITED
SATISH R. SHETTY
Vice Chairman and Managing Director
(DIN 00037526)
S.S. HIEMATH
Director
(DIN 02272897)
SATHYA MURTHY PADAKI
Director
(DIN 08276537)

ANNAPPAYYA
Director
(DIN 03558522)
SARVANI ALVA
Director
(DIN 06896403)

SUNIL R. SHETTY
Director
(DIN 00037572)

SANKAPPA K. SHETTY
Director
(DIN 00894366)
ASHOK KUMAR
Company Secretary

NAVEEN R. SHETTY
Director
(DIN 00058779)
KARAN SATISH SHETTY
Whole Time Director
(DIN 08168200)
N.M. HEGDE
Vice President (Finance) & CFO

**CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
FOR THE PERIOD FROM APRIL 2020 to MARCH 2021**

(₹ in lakhs)

	2020 - 2021		2019 - 2020	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit/(loss) after tax and before extra-ordinary items	(1,187.46)		174.60	
Adjustments for :				
Depreciation	968.64		992.50	
Interest paid	1,135.83		1,358.29	
Rent Received	(14.30)		(15.30)	
Loss on Sale of Fixed Assets	9.48		-	
Profit on sale of Assets	(8.88)		(12.50)	
Interest Income on Investments	(33.59)		(20.61)	
Dividend received	(68.51)		(52.13)	
Remeasurement of defined benefit plans	(23.78)		(29.73)	
Operating profit before working capital changes	777.43		2,395.12	
Adjustments for :				
Increase / (Decrease) in Other Long Term Liabilities	(407.20)		298.24	
Decrease / (Increase) in Inventories	(477.17)		129.19	
Decrease / (Increase) in Trade receivables	942.06		490.79	
Increase / (Decrease) in Trade Payables	(543.93)		1,082.40	
Decrease / (Increase) in Short term loans & advances	-		-	
Decrease / (Increase) in Other Current Assets	(156.14)		369.17	
Decrease / (Increase) in Long term Loans & Advances	(516.31)		1.73	
Increase / (Decrease) in Other Current Liabilities	506.81		(61.52)	
Increase / (Decrease) in Short Term Provisions	(37.10)		-	
Cash generated from operations	88.45		4,705.12	
Taxes paid	(39.46)		41.04	
Net cash from Operating Activities (before extra-ordinary item)		48.99		4,746.16
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(836.45)		(1,901.02)	
Sale of Fixed Assets	140.00		12.50	
Interest received	33.59		20.61	
Dividend received	68.51		52.13	
Rent received	14.30		15.30	
Investments	-		-	
Net cash flow from investing activities		(580.05)		(1,800.48)

**CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
FOR THE PERIOD FROM APRIL 2020 to MARCH 2021 (Contd.)**
(₹ in lakhs)

	2020 - 2021		2019- 2020	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Long term Borrowings repaid	685.78		(1,532.07)	
Short term Borrowings repaid	(103.29)		(9.21)	
Proceeds from issue of Share Capital	856.33		-	
Issue of Share Warrants	241.38		-	
IND AS Transition Reserve	-		(22.35)	
Interest paid	(1,108.36)		(1,358.29)	
Payment of Lease Liabilities	(27.47)		-	
Net Cash used in Financial activities		544.37		(2,921.92)
Net Increase/(Decrease) in cash and cash Equivalents		13.31		23.76
Cash and Cash Equivalents as at 01.04.2020		327.09		303.33
Cash and Cash Equivalents as at 31.03.2021		340.40		327.09

NOTES TO THE CASH FLOW STATEMENT

CASH AND CASH EQUIVALENT :

Cash and cash equivalents consists of cash on hand and balances with Banks and investments in money market instruments. Cash and cash equivalents in the cash flow statement comprise the following Balance Sheet amounts.

	<u>2020- 2021</u>	<u>2019 -2020</u>
Cash on hand and balances with Banks	340.40	327.09
Short Term investments	-	-
Cash and cash equivalents effect of changes in Exchange rates	-	-
Cash and cash equivalents as restated	340.40	327.09

Place : Bengaluru Date : 29-06-2021	For and on behalf of the Board of Directors MURUDESHWAR CERAMICS LIMITED		
	SATISH R. SHETTY Vice Chairman and Managing Director (DIN 00037526)	SUNIL R. SHETTY Director (DIN 00037572)	NAVEEN R. SHETTY Director (DIN 00058779)
	S.S. HIREMATH Director (DIN 02272897)	ANNAPPAYYA Director (DIN 03558522)	KARAN SATISH SHETTY Whole Time Director (DIN 08168200)
	SATHYA MURTHY PADAKI Director (DIN 08276537)	SARVANI ALVA Director (DIN 06896403)	N.M. HEGDE Vice President (Finance) & CFO
		SANKAPPA K. SHETTY Director (DIN 00894366)	ASHOK KUMAR Company Secretary

CERTIFICATE

We have examined the above Cash Flow Statement of Murudeshwar Ceramics Ltd., for the year ended 31.03.2021 and certify that the said statement has been prepared by the Company in accordance with IND AS-7 issued by the Institute of Chartered Accountants of India and as per requirements of Listing Agreements with Stock Exchanges and is based on and is in agreement with Profit & Loss Account and Balance Sheet of the Company for the year ended on 31.03.2021.

Place : Bengaluru
Date : 29-06-2021

For K.G.RAO & CO.,
Chartered Accountants
ICAI FIRM REGN. No : 010463S
KRISHNARAJ K
Partner
Membership No : 217422
UDIN : 21217422AAAABK5259

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 1 Corporate Information :

Murudeshwar Ceramics Limited (the Company) was established in the year 1983. The Company is manufacturing and trading Ceramic and Vitrified floor & wall Tiles. The Registered Office of the Company is at 604/B, Murudeshwar Bhavan, Gokul Road, Hubli – 580 030 and the Corporate Office is at Naveen Complex, 7th Floor, 14, M.G. Road, Bengaluru – 560 001. The Company is having 2 manufacturing plants at Sira, Dist. Tumkur and Karaikal, Pondicherry. The Company is trading outsourced Vitrified Tiles and Ceramic Tiles as well. The Company's products are branded as "Naveen Ceramic Tiles" and "Naveen Diamontile". The Company is having well established marketing network all over the country.

Note : 2 Significant Accounting Policies :

1. Basis of Preparation

These financial statements are separate financial statements prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Basis of measurement

The financial statements have been prepared on the historical cost basis except certain financial assets and liabilities which are required to be measured at fair value as per Ind AS.

2. Use of estimates and judgement

In the application of the Company's accounting policies, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Current / Non-Current Classification

The Company recognizes any asset or liability as current if it satisfies any of the following conditions :

- Asset/Liability is expected to be realized/settled during the company's normal operating cycle.
- The asset is intended for sale or consumption.
- The Asset/Liability is held primarily for the purpose of trading.
- The Asset/Liability is expected to be realized/settled within 12 months after the reporting period.
- The Asset is cash/cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- In the case of the liability, the company does not have an unconditional right to defer the settlement of liability for at least 12 months after the reporting date.

All other assets/liabilities are classified as non-current.

Estimation of uncertainties relating to the global health pandemic from COVID-19 ("COVID-19") :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company financial statements may differ from that estimated as at the date of approval of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

3. Revenue

- i) Disclosure as per Ind AS 115 "Revenue from contract with Customers" – Revenue from contract from customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services. The Transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by company as part of the contract. Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.
- ii) Sale of Products - Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time that is, when the material is shipped to the customer or on delivery to the customer as may be specified in the contract.
- iii) Rendering of Services - The Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligations for the services rendered. The company uses output method for measurement of revenue from services.
- iv) Interest – Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.
- v) Dividend – Revenue is recognized when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholders approve the dividend.
- vi) Rental Income – Rental income from the properties given on lease (net of any incentives given to the lessees) is recognized on accrual basis over the lease term.

4. Expenses

All expenditures are accounted on accrual basis after reducing any specific income attributable to such expenditure.

5. Property, plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken to improve the economic benefits expected to arise from the asset.

Capital Work in Progress

The cost of assets not ready for intended use, as on the balance sheet date, is shown as Capital Work in Progress.

Depreciation commences when the assets are ready for their intended use

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Plant and Machinery and Factory building, in those case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation is provided on estimated useful lives of the assets as per Schedule – II of the Companies Act, 2013 except for the following assets where the useful life has been estimated based on the technical estimate.

Assets	Estimated Life	Life as per Schedule-II
Plant & Machinery	25-30 Years	20 Years
Building / Factory	50 Years	60 Years

Amounts spent on Site preparation at Quarry for mining of Clay have been capitalized under the head Building- Others and Depreciation provided accordingly.

No depreciation is charged on capital work in progress and free hold land.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Derecognition

The carrying amount of an item of property, plant and equipment, is de-recognized on disposal or when no future economic effects are expected from its use or disposal. The Gain or Loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

6. Inventories

Raw Materials, Work in progress, Finished goods, packing materials, stores, spares, components, consumables and stock in trade are carried at the lower of cost and net realizable value. However, the materials and other items held for use in production of inventories are not written down below cost. If the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis. Net realizable value is the estimated selling price in the ordinary course of the business less estimated cost of completion and estimated costs necessary to make the sale.

In determining the cost of raw materials, packing materials, stock in trade, stores, spares, components and consumables weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from the tax authorities) and all the other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work in progress, includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

7. 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's lease asset classes primarily consist of leases for shops. 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 (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country or domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

8. Investments in associate company

The company has elected to recognize its investments in associate company at cost in accordance with the option available in IND AS 27 "Separate financial statements".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
9. Taxes on Income
Current Tax

The current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Indian Income Tax Act, 1961.

Deferred Tax

Deferred income tax is provided using the liability method on all timing differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the tax rates and tax laws substantively enacted at the balance sheet date. In assessing the realisability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax-planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

10. Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are considered as cost on initial recognition.

The Disclosure as per IND AS is given as under –

As on 31.03.2021 (₹ In Lacs)

Cash and cash equivalents including other bank balances	Note	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
Financial Assets :						
Trade receivables	7	-	-	3,164.66	3,164.66	-
Cash and cash equivalents including other bank balances	8	-	-	340.40	340.40	-
Investments	4	-	-	390.29	390.29	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	3,895.35	3,895.35	-
Financial Liabilities:						
Trade payables	14	-	-	2,023.21	2,023.21	-
Lease Liabilities	13	-	-	161.95	161.95	-
Other financial liabilities	15	-	-	9,705.36	9,705.36	-
Total Financial Liabilities		-	-	11,890.52	11,890.52	-

As on 31.03.2020 (₹ In Lacs)

Cash and cash equivalents including other bank balances	Note	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
Financial Assets:						
Trade receivables	7	-	-	4,106.72	4,106.72	-
Cash and cash equivalents including other bank balances	8	-	-	327.09	327.09	-
Investments	4	-	-	390.29	390.29	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	4,824.10	4,824.10	-
Financial Liabilities:						
Trade payables	14	-	-	2,567.14	2,567.14	-
Lease Liabilities	13	-	-	197.62	197.62	-
Other financial liabilities	15	-	-	9,530.08	9,530.08	-
Total Financial Liabilities		-	-	12,294.84	12,294.84	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Other Financial Instruments and Cash & Cash Equivalents

The Company held cash and cash equivalents of ₹340.40 Lakhs (31st March 2020 - ₹327.09 Lakhs). The cash and cash equivalents are held with banks with high rating. The Company held deposits with banks and financial institutions of ₹326.88 Lakhs (31st March 2020 - ₹315.57 Lakhs). In order to manage the risk, Company places deposits with only high rated banks/institutions.

(Amount in ₹ Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL).		
Non-current Investment	-	-
Non-current Loans & Advances	-	-
Other Non-Current Financial Assets	-	-
Cash & Cash Equivalent	-	-
Bank balances other than cash and cash equivalents	-	-
Current Loans & Advances	-	-
Other Current Financial Assets	-	-
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)	-	-
Trade Receivables	-	-
Total	-	-

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payable and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows.

Level 1 : Quoted prices (unadjusted) in active markets for financial instruments.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3 : Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

Measurement of fair value of financial instruments

The fair value measurement is not applicable since there was no financial assets and liabilities are measured at fair value.

Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, cash & cash Equivalent, investment, other balances with banks, loans and deposits that derive directly from its operations.

Company is exposed to following risk from the use of its financial instrument.

1. Market Risk
2. Credit Risk
3. Liquidity Risk

1. Market Risk : Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk comprises three types of risk: Interest rate risk, Foreign currency risk and another price risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

- a) Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of market interest risk. The Company's exposure to risk of changes in market interest rates is minimal. The company has not used any interest rate derivatives.
- b) Foreign currency risk : Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The company has not entered into any forward exchange contracts/derivative contracts.
- c) Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The company has not invested in any traded equity instruments or bonds.
- 2. Credit risk :** The credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from financial assets such as trade receivables, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with the counterparties that have sufficiently high credit ratings. The exposure and credit ratings of the counterparties are continuously monitored, and aggregate value of transactions is reasonably spread amongst the counterparties. There are no cases of historical defaults and hence no provision for expected credit loss is necessary.
- 3. Liquidity risk :** The liquidity risk is the risk that the company will encounter difficulty in raising funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. The company has established liquidity risk management framework for managing its short term, medium term and long term and liquidity management requirements. The company has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.
- 11. Borrowings and Borrowing Cost**
Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.
- 12. Provision and contingencies**
The company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resource embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.
- 13. Cash and cash equivalents**
Cash and cash equivalent for the purpose of balance sheet comprises of cash and banks balances.
- 14. Earnings per share**
Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events of bonus issue and share split.
Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.
- 15. Employee benefits**
 - (i) **Short term Employee benefits :** Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance – linked rewards falling due wholly within the twelve months or rendering the service are classified as short term employee benefits and are expensed in the period in which employee renders the related service.
 - (ii) **Post-employment benefits :**
 - A. **Defined contribution plans :** The company's superannuation scheme, the state governed provident fund scheme, employee insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under such schemes is recognized during the period in which the employee renders the related service.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

- B. Defined benefit plans :** The present value of obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to weighted average maturity profile of defined benefit obligations at the balance sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amount included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in Retained earnings and the same is not eligible to be reclassified to profit and loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and loss as employee benefits expense, interest cost implicit in the defined benefit employee cost is recognized in the Statement of Profit and Loss under finance cost.

Gains or losses on settlement on any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the company recognized related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

- (iii) **Long term employee benefits :** The obligation recognized in respect of long term benefits such as compensated absences, long service award is measured at present value of estimated future cash flows expected to be made by company and is recognized in similar manner as in the case of defined benefit plans as above.

Gratuity – The Company provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment with the company. Gratuity has been paid through an approved gratuity fund managed by the LIC of India. Premium paid thereon is accounted as expenditure. The Company has also provided for gratuity as per actuarial valuation performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

Leave Encashment - Leave encashment has been determined based on the actuarial valuation, available leave entitlement at the end of each calendar year. The incremental amount so calculated each year is debited to Salaries and Wages - leave encashment.

16. Investment Property:

The disclosure as per IND AS is as under –

- Accounting policy for measurement of investment
The entity is following cost model for recognition & measurement of investment.
- The investment property is valued and recognised at Cost, therefore no such valuation is carried out by any professional/valuers.
- Amounts recognised in the Profit & Loss Account

Rental income from Investment Property	14,30,100
Direct Operating Expenses arising from Investment Property generating rental income	
Municipal Tax/Property Tax	2,61,888
Flat Maintenance Charges	2,67,502
Direct Operating Expenses arising from Investment Property not generating rental income	NA

- The existence and amounts of restrictions on the realisability of the Investment Property or remittance of income and proceeds of disposals – Nil
- Contractual obligation to purchase, construct or develop investment property or for repair and maintenance or enhancements - Nil.
- Asset Value and Depreciation Disclosure:
 - Depreciation method used: Straight Line Method
 - Useful life of Depreciation : 60 Years

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

- Asset Schedule

Property	Opening as on 01.04.2020 [A]	Addition [B]	Deletion [C]	Depreciation for the year [D]	Closing value as on 31.03.2021 E=[A+B-C-D]
FLAT AT BANGALORE - JUNGFRAU BLOCK No. 306	43,94,254	-	-	81,375	43,12,879
FLAT AT BANGALORE - JULIAN BLOCK No. 307	43,94,254	-	-	81,375	43,12,879
FLAT AT BANGALORE - ARONIA BLOCK No. 501	43,94,254	-	-	81,375	43,12,879
FLAT AT BANGALORE - ARONIA BLOCK No. 307	43,94,254	-	-	81,375	43,12,879
TOTAL					1,72,51,516

7. Fair Value of Investment Property

- Since the Investment property is valued following the cost model, no fair valuation is carried out.

17. Segment reporting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

18. Events after the reporting date

Where events occurring after the balance sheet date provide evidence of the conditions that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of the material size of the nature are only disclosed.

19. Government Grants/Subsidy

The Company has not received subsidy of any kind from the government during the year.

20. Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a Notification, amended Schedule III to the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

I. Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

II. Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the Consolidated Financial Statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 3 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS
Changes in the carrying value of property, plant and equipment for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Property, Plant and Equipment								
	Land	Building	Plant and Equip-ment	Computers	Office Equip-ment	Furniture & Fixtures	Vehicles	Right to use Assets	Total
Gross carrying value as of April 1, 2020	8,070.69	9,106.99	16,400.36	39.18	23.37	114.73	164.44	230.21	34,149.97
Additions	-	194.68	61.77	3.22	11.76	0.27	1.14	18.25	291.09
Deletions	-	-	197.09	-	-	-	-	-	197.09
Gross carrying value as of March 31, 2021	8,070.69	9,301.67	16,265.04	42.40	35.13	115.00	165.58	248.46	34,243.97
Accumulated depreciation as of April 1, 2020	-	747.97	2,616.01	15.58	7.78	36.12	64.27	60.42	3,548.15
Depreciation	-	195.60	731.85	9.47	5.05	8.79	17.88	56.33	1,024.97
Accumulated depreciation on deletions	-	-	56.49	-	-	-	-	-	56.49
Accumulated depreciation as of March 31, 2021	-	943.57	3,291.37	25.05	12.83	44.91	82.15	116.75	4,516.63
Carrying value as of March 31, 2021	8,070.69	8,358.10	12,973.67	17.35	22.30	70.09	83.43	131.71	29,727.34
Carrying value as of March 31, 2020	8,070.69	8,359.02	13,784.35	23.60	15.59	78.61	100.17	169.79	30,601.82




NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 4 OTHER FINANCIAL ASSETS
(₹ in Lakhs)

Particulars	As at 31-03-2021				As at 31-03-2020			
	Equity Instruments	Govt. & Trust Securities	Debenture & Bonds	Total	Equity Instruments	Govt. & Trust Securities	Debenture & Bonds	Total
Investments in :								
a) Associates	374.80	-	-	374.80	374.80	-	-	374.80
b) Structured Entities	2.00	0.49	13.00	15.49	2.00	0.49	13.00	15.49
Total	376.80	0.49	13.00	390.29	376.80	0.49	13.00	390.29
Quoted Investments Market Value								
Unquoted Investments	376.80	0.49	13.00	390.29	376.80	0.49	13.00	390.29
Impairment								

NOTE : 5 NON - FINANCIAL ASSETS
(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Other Non-Current Assets :		
(i) Capital Advances / Prepaid Rent	8.82	11.21
(ii) Prepaid Interest - IND AS	4.30	4.30
(iii) Advances Other than Capital Advances	533.23	-
Security Deposits	36.48	51.09
	582.83	66.60
Non-Financial Assets :		
(i) PLA and Cenvat Credit	6.70	6.70
(ii) VAT Credit Receivable	19.66	19.66
(iii) Service Tax Credit Receivable	-	-
(iv) Income Tax Refund Receivable	171.22	171.22
Total	197.58	197.58

NOTE : 6 INVENTORIES
(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Raw Materials	4,140.29	3,546.81
Work in Progress	1,980.42	2,126.41
Finished Goods	2,857.68	2,731.75
Stock in Trade	75.22	195.89
Stores and Spares	1,395.95	1,371.52
Total	10,449.56	9,972.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 7 TRADE RECEIVABLES
(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	1,161.99	262.47
Doubtful	-	-
	1,161.99	262.47
Other Trade receivables :		
Secured, considered good	-	-
Unsecured, considered good	2,002.67	3,844.25
Doubtful	-	-
	2,002.67	3,844.25
Less : Provision for doubtful trade receivables	-	-
	2,002.67	3,844.25
	3,164.66	4,106.72
Note: Trade receivables include debts due from :		
Companies in which directors are interested		
RNS Infrastructure Limited	699.15	2,088.34
Murudeshwar Power Corporation Limited	590.90	-
Total	1,290.05	2,088.34

NOTE : 8 CASH AND CASH EQUIVALENTS
(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with bank (of nature Cash and Cash Equivalents)		
Earmarked Funds	89.75	17.84
Margin Money	190.07	261.47
Cash on hand	13.52	11.52
Others - (Current Account)	47.06	36.26
Total	340.40	327.09

NOTE : 9 OTHER CURRENT ASSETS
(₹ in Lakhs)

(i) Capital Advances	-	-
(ii) Advances other than Capital Advances		
Security Deposits	534.43	524.77
Interest Accrued on Deposits	63.36	65.81
Total	597.79	590.58
(iii) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	267.43	232.66
Doubtful	-	-
Total	267.43	232.66
(iv) Balances with government authorities		
Unsecured, considered good		
(i) GST Credit	44.72	57.94
	44.72	57.94
(v) Prepaid expenses - Unsecured, considered good	20.20	19.72
(vi) Others - Advances		
Secured, considered good	-	-
For supply of goods and rendering services	610.18	442.70
Advance Payment of Income Tax (Net of provision Income Tax)	39.46	40.57
	649.64	483.27
Less : Provision for other doubtful loans	-	-
	649.64	483.27
Total	1,579.78	1,384.17

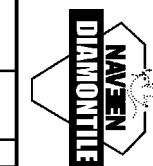
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE : 10 STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

Particulars	Equity Share Capital	Other Equity				Ind AS Transition Reserve	Total Equity attributable to Equity holders of the Company
		Reserves & Surplus					
		Securities Premium	Retained Earnings	General Reserve	Other Items		
Balance as of April 1, 2019	4,758.17	12,739.33	1,344.22	12,795.85	1,615.03	54.46	33,307.06
Changes in equity share capital	-	-	-	-	-	-	-
Additional provision	-	-	-	-	-	-	-
Remeasurement of Deferred tax liability for the year	-	-	-	-	-	-	-
Profit for the year	-	-	174.60	-	-	(22.35)	152.25
Remeasurement of the net defined benefit liability / asset, net of tax effect	-	-	(29.73)	-	-	-	(29.73)
Dividend (including Corporate Dividend Tax)	-	-	-	-	-	-	-
Balance as of March 31, 2020	4,758.17	12,739.33	1,489.09	12,795.85	1,615.03	32.11	33,429.58
Changes in equity share capital	475.74	380.59	-	-	-	(2.47)	853.86
Profit for the year	-	-	(1,187.46)	-	-	-	(1,187.46)
Remeasurement of the net defined benefit liability / asset, net of tax effect	-	-	(23.78)	-	-	-	(23.78)
Interim Dividend (Including Corporate Dividend Tax)	-	-	-	-	-	-	-
Final Dividend (Including Corporate Dividend Tax)	-	-	-	-	-	-	-
Balance as of March 31, 2021	5,233.91	13,119.92	277.85	12,795.85	1,615.03	29.64	33,072.20

MURUDESHWAR CERAMICS LTD.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 11 BORROWINGS
(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Bonds and Debentures		
Term Loans		
From Banks		
Secured	1,150.87	557.88
From Others	320.05	227.26
Total	1,470.92	785.14

The Term Loans from Banks are repayable in quarterly instalments. Interest is payable on monthly basis. The Term Loans from Banks, namely Canara Bank is secured by first charge created / to be created on the immovable / Fixed Assets of the Company, and by charges on the other movables including machinery, Spares, Tools, accessories and movable plant and machinery both present and future, save and except book debts and other Deferred Payment Guarantee equipments, Assets hypothecated to concerned institutions / Bankers against specific finance for the same. The said charge on the movable properties of the Company in favour of these Bankers is subject to prior charges created in favour of Company's Bankers for working capital requirements. Loans from ICICI Bank Ltd., Kotak Mahindra Ltd. Punjab National Bank(e-OBC), The Daimler Financial Services and Sundaram Finance Limited for specific assets are secure against hypothecation of specific items of assets financed for. Loan from LIC of India is against pledge of Key-Man Policy. All the secured and unsecured loans other than public deposits have been further secured by way of Personal Guarantees by Promoter Directors of the Company to the extent applicable. The Term Loan from Indiabulls is secured by way of Mortgage of Title Deeds of specific assets.

NOTE : 12 OTHER NON - CURRENT LIABILITIES
(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
DEFERRED TAX LIABILITY		
Opening balance as on 01.04.2020	2,633.61	2,476.20
Add : Provision for the year	(412.18)	-
Restated opening Balance at the beginning of year	2,221.43	2,476.20
Add : Provision for the year	-	157.41
Deferred Payment Liabilities	2,221.43	2,633.61
Less : Deferred Tax Asset - MAT Credit		
Others MAT Credit		
Opening balance	839.09	782.30
Add : Provided for the year	-	56.79
Less : Excess Provision Reversed	4.97	-
Closing Balance	834.12	839.09
Deferred tax Liability (Net)	1,387.31	1,794.52

The Company had calculated Deferred tax asset / liability using the rates that were prescribed for Minimum Alternate Tax (MAT) during the previous year as the management was of opinion that MAT rate best reflected the value of DTL/DTA as on reporting date.

During the current financial year, the Company has Restated /trued up the calculation of Deferred Tax Assets/ Liabilities using the rate at which the normal income taxes would be payable by the company as per IND AS 12.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE : 13 OTHER LONG-TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Trade Payables		
(i) Acceptances	143.98	214.62
(ii) Other than Acceptances	-	-
(b) Lease Liabilities	161.95	197.62
Total	305.93	412.24

NOTE : 14 TRADE PAYABLES

(₹ in Lakhs)

Trade payables :		
Acceptances	390.85	202.49
Other than Acceptances	1,488.38	2,150.03
Total	1,879.23	2,352.52

NOTE : 15 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Bonds and Debentures	-	-
Loans repayable on demand from Banks :		
From Banks		
Secured	6,847.14	6,950.42
Total	6,847.14	6,950.42

The Cash Credit and other working capital facilities from the consortium of Bankers namely, Canara Bank, State Bank of India, Bank of Baroda, DBS Bank India Ltd.,(e-LVB),Punjab National Bank (e-OBC) & Axis Bank are secured by way of hypothecation of Raw materials, Stock in Process, Finished Goods, Book Debts and Goods meant for export on pari-passu basis and further secured by way of second & subsequent charge on the whole of the immovable / Fixed Assets of the Company. These borrowings are further secured by way of Personal Guarantees by two Promoter Directors of the Company to the extent applicable.

NOTE : 16 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Advances from Customers	490.78	173.76
Term Loan instalments payable within one year	632.50	282.23
Deposits	68.77	68.52
Statutory remittances (Contributions to PF and ESIC, withholding Taxes, GST etc.)	114.55	89.67
Contractually reimburseable expenses	1.48	3.40
Salary & Wages Payable	428.50	498.80
Outstanding Liabilities for Expenses	195.00	213.12
Bank Current Account	-	95.27
Total	1,931.58	1,424.77

NOTE : 17 PROVISIONS

(₹ in Lakhs)

Employee Benefits	73.61	51.53
Current Tax Provision	(8.35)	50.83
Total	65.26	102.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE : 18 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a)	Sale of products	5,928.33	8,362.84
(b)	Sale of services	2,113.66	1,925.61
(c)	Other operating revenues	6.96	28.77
		8,048.95	10,317.22
(d)	Less : Excise duty	-	-
	Total	8,048.95	10,317.22
Note			
(i)	Sale of products comprises : Sale of produced goods Sale of traded goods	4,703.37 1,224.96	6,315.04 2,047.80
	Total - Sale of products	5,928.33	8,362.84
(ii)	Sale of services comprises : Service - Earth Work Service - Road Work	2,113.66 -	1,925.61 -
	Total - Sale of services	2,113.66	1,925.61
(iii)	Other operating revenues comprises : Sale of Scraps	6.96	28.77
	Total - Other operating revenues	6.96	28.77

NOTE : 19 OTHER INCOME

(₹ in Lakhs)

Note	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a)	Interest income	33.59	20.61
(b)	Dividend income : Associates	68.51	52.13
(c)	Other non-operating income (net of expenses directly attributable to such income)	24.14	778.19
(d)	Subsidy Received	-	-
	Total	126.24	850.93
(i)	Interest income comprises : Interest from banks on : Deposits	33.59	20.61
	Total - Interest income	33.59	20.61
(ii)	Other non-operating income comprises : Keyman Insurance Policy matured Insurance Claim received Profit on sale of fixed assets (net of expenses directly attributable prior period items (net) Miscellaneous income (net of expenses directly attributable) Rent Received	- 0.96 8.88 - 14.30	748.79 1.32 12.50 0.28 15.30
	Total - Other non-operating income	24.14	778.19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 20 COST OF MATERIALS CONSUMED
(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock	3,546.81	2,362.49
Add : Purchases	2,218.60	2,652.21
	5,765.41	5,014.70
Less : Closing Stock	4,140.29	3,546.81
Cost of material consumed	1,625.12	1,467.89
Material consumed comprises :		
Clay	1,136.53	1,244.54
Glaze & Pigments	360.46	153.30
Packing Material	126.23	65.11
Other items	1.90	4.94
Total	1,625.12	1,467.89

PURCHASE OF TRADED GOODS

Traded goods	1,451.25	1,823.87
Grand Total	3,076.37	3,291.76

NOTE : 21 CHANGES IN INVENTORY OF FINISHED GOODS & WORK-IN-PROGRESS
(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
INVENTORIES AT THE END OF THE YEAR :		
Finished goods	2,878.83	2,731.75
Work-in-progress	1,980.42	2,126.41
Stock-in-trade	-	195.89
	4,859.25	5,054.05
INVENTORIES AT THE BEGINNING OF THE YEAR		
Finished Goods	2,731.75	3,867.98
Work-in-progress	2,126.41	2,389.77
Stock-in-trade	-	174.27
	4,858.16	6,432.02
Net (Increase) / decrease	(1.09)	1,377.97

NOTE : 22 EMPLOYEE BENEFITS EXPENSE
(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	624.37	653.85
Contributions to provident and other funds	58.60	65.00
Staff welfare expenses	481.41	471.32
Defined Benefit Obligation - Gratuity	16.46	14.84
Defined Benefit Obligation - Leave Encashment	15.33	15.94
Other Employee Benefit Expenses	21.50	15.35
Total	1,217.67	1,236.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 23 FINANCE COSTS (₹ in Lakhs)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a)	Interest expenses on :		
	(i) Borrowings	1,108.36	1,358.29
	(ii) Trade payables	238.42	90.24
	(iii) Others		
	Interest on Lease Liabilities	27.47	24.47
	- Security deposits	4.05	4.05
	- Income Tax	0.48	-
(b)	Other borrowing costs	213.82	122.55
	Total	1,592.60	1,599.60

NOTE : 24 OTHER EXPENSES (₹ in Lakhs)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	Consumption of stores and spare parts	240.54	148.72
	Increase / (decrease) of excise duty on Inventory	-	-
	Subcontracting	-	15.90
	Power and Fuel	1,385.96	1,059.85
	Rent	19.47	34.92
	Repairs and maintenance - Buildings	14.04	23.84
	Repairs and maintenance - Machinery	28.83	9.58
	Repairs and maintenance - Others	78.57	73.62
	Insurance	179.90	96.18
	Rates and taxes	107.53	116.20
	Communication	15.13	16.00
	Travelling and conveyance	253.85	279.01
	Printing and stationery	13.51	13.80
	Freight and forwarding	299.22	290.63
	Sales commission	13.32	21.72
	Sales discount	60.26	21.59
	Export Expenses	15.60	-
	Business promotion	6.46	1.55
	Donations and contributions	1.68	0.25
	Legal and professional	27.29	16.11
	Payments to auditors	6.00	6.00
	Directors Sitting Fees	7.61	6.50
	Advertisement & Publicity	2.69	0.94
	Sales Promotion Expenses	8.64	15.59
	Selling & Distribution expenses - Others	25.14	29.43
	Security charges	17.76	18.58
	CSR payments	9.11	8.55
	Loss on fixed assets sold / scrapped	9.48	-
	Miscellaneous expenses	11.75	13.96
	Total	2,859.34	2,339.02
Notes			
(i)	Payments to the Auditors comprises :		
	As auditors - statutory audit	3.00	3.00
	For taxation matters	0.50	0.50
	For management services	0.50	0.50
	Reimbursement of expenses	2.00	2.00
	Total	6.00	6.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 25 DISCLOSURES UNDER ACCOUNTING STANDARDS

Note			
25.1	Employee benefit plans		
25.1.a	DEFINED CONTRIBUTION PLANS		
	The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹34,52,196/- (Year ended 31st March, 2020 ₹38,13,143/-) for Provident Fund contributions and ₹17,61,329/- (Year ended 31st March, 2020 ₹17,25,329/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of schemes.		
25.1.b	DEFINED BENEFIT PLANS		
	The Company offers the following employee benefit schemes to its employees :		
	i. Gratuity : The following tables sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements :		
	Particulars	Year ended 31st March 2021	Year ended 31st March 2020
		Gratuity	Gratuity
A	Change in Defined Benefit Obligations (DBO) during the year		
	Defined Benefit Obligation at the beginning of the year	310.01	251.09
	Current service cost	17.99	17.07
	Interest Expense	21.70	17.58
	Benefit Payment from Plan Assets	(34.15)	-
	Remeasurement - Due to Financial Assumptions	1.51	10.00
	Remeasurement - Due to Experience Adjustments	10.55	14.27
	Present value of DBO at the end of the year	327.61	310.01
B	Change in fair Value of Plan Assets during the year		
	Fair Value of Plan Assets at the beginning of the year	329.66	282.89
	Interest Income	23.23	19.80
	Actual company contributions	38.47	26.50
	Employers Contribution	(2.31)	0.47
	Benefit Payments from Plan Assets	(34.15)	-
	Plan assets at the end of the year	354.89	329.66
	Actual return on plan assets	17.99	17.07
C	Components of Defined Cost		
	Current service cost	17.99	17.07
	Interest Expenses on DBO	21.70	17.58
	Interest (income) on Plan Assets	(23.23)	(19.80)
	Total Net Interest Cost	(1.53)	(2.23)
	Defined Benefit Cost included in P & L	16.46	14.84
	Remeasurement - Due to Financial Assumptions	1.51	10.00
	Remeasurement - Due to Experience Adjustments	10.55	14.27
	(Return) on Plan Assets (Excluding Interest income)	2.31	(0.47)
	Total Remeasurements in OCI	14.38	23.81
	Total Defined Benefit Cost recognised in P & L and OCI	30.84	38.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 25 DISCLOSURES UNDER ACCOUNTING STANDARDS (Contd.)

	Particulars	Year ended 31st March 2021	Year ended 31st March 2020
		Gratuity	Gratuity
D	Amount Recognised in the Statement of Financial Position		
	Defined Benefit Obligation	327.61	310.01
	Fair Value of Plan Assets	354.89	329.65
	Fund Status	(27.28)	(19.64)
	Net Defined Benefit Liability/(Assets)	(27.28)	(19.64)
E	Net Defined Benefit Liability/(Assets) Reconciliation		
	Net Defined Benefit Liability/(Assets) at beginning of the year	(19.64)	(31.79)
	Defined Benefit Cost included in P & L	16.46	14.84
	Total Remeasurements included in OCI	14.38	23.81
	Employers Contributions	(38.47)	(26.50)
	Net Defined Benefit Liability/(Assets) at end of the year	(27.28)	(19.64)
	Weightage Average Asset Allocation at the year end		
	Insurance Policies	100%	100%
	Actuarial assumptions		
	Discount rate	6.90%	7.00%
	Salary escalation	6.00%	6.00%

NOTE : 26 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Note	Particulars	As at 31st March 2021	As at 31st March 2020
26.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt (give details)	-	-
	(b) Guarantees	389.91	521.67
	(c) Letters of Credit established with Banks	1,977.94	2,101.78
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	-	7.80
		-	7.80
26.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	35.28	75.54
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 26 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

26.3	Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges				
	Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:				
	Name of the Party		Relationship	Amount outstanding as at 31.03.2021	Maximum Balance Outstanding during the year
				(₹ in Lakhs)	(₹ in Lakhs)
	Murudeshwar Power Corporation Ltd.		Group Companies	297.88	297.88
	RNS Power Ltd.,		Group Companies	610.15	76.92
	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :				
	As at 31st March 2021			As at 31st March 2020	
	Payable	Payable in Foreign Currency	Payable	Payable in Foreign Currency	
	(₹ in Lakhs)	(indicate amount with Currency)	(₹ in Lakhs)	(indicate amount with Currency)	
	731.98	US\$ 9,95,834	906.52	US\$ 12,03,475	
Note	Particulars		For the year ended 31st March 2021	For the year ended 31st March 2020	
			(₹ in Lakhs)	(₹ in Lakhs)	
26.4	Value of imports calculated on CIF basis : Raw Materials Components Spare parts Total Components and spare parts Capital goods		-	-	
			44.17	57.03	
			24.44	52.62	
			68.61	109.65	
			337.80	915.00	
26.5	Expenditure in Foreign Currency : Travel		-	2.45	
Note	Particulars		For the year ended 31st March 2021		
			(₹ in Lakhs)	%	
26.6	Details of consumption of imported & indigenous items IMPORTED Raw materials Components Spare parts TOTAL				
			17.22 (134.53)	13.17 (63.50)	
			51.31 (30.06)	39.23 (14.19)	
			62.25 (47.27)	47.60 (22.31)	
			130.78 (211.86)	100.00 (100.00)	
	INDIGENOUS Raw materials Components Spare parts TOTAL				
			1,607.90 (1,327.53)	92.68 (94.90)	
			35.59 (9.30)	2.05 (0.66)	
			91.38 (62.09)	5.27 (4.44)	
			1,734.87 (1,398.92)	100.00 (100.00)	
	Note : Figures / percentages in brackets relates to the previous year.				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE : 27 DISCLOSURES UNDER ACCOUNTING STANDARDS (Contd.)

Note	For the year ended 31st March, 2021			
27.1	Segment Information Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company assesses the financial performance and position of the Company. The Board of Directors have been identified as the CODM. The Company operates in a business segment, i.e., Manufacture and Trading of Tiles, Services The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Company products and Services. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada) and South American countries, Europe, India and others.			
	Particulars	For the Year ended 31st March, 2021		
		Business Segments		Total
		Sale of Products	Sale of Services	
		(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
	Revenue	5,935.29	2,113.66	8,048.95
	Inter-segment revenue	-	-	-
	Net Revenue	5,935.29	2,113.66	8,048.95
	Segment result	(1,800.28)	121.84	(1,678.44)
	Unallocable expenses (net)	-	-	-
	Operating income	-	-	-
	Other income (net)	-	-	83.77
	Profit before taxes	-	-	(1,594.67)
	Tax expense	-	-	407.21
	Net profit for the year	-	-	(1,187.46)
	Segment assets	44,419.77	2,642.15	47,061.92
	Unallocable assets	-	-	139.03
	Total assets	44,419.77	2,642.15	47,200.95
	Segment liabilities	11,289.92	1,182.25	12,472.17
	Unallocable liabilities	-	-	34,728.78
	Total liabilities	11,289.92	1,182.25	47,200.95
	OTHER INFORMATION			
	Capital expenditure (allocable)	33,129.85	1,459.90	34,589.75
	Capital expenditure (unallocable)	-	-	-
	Depreciation and amortisation (allocable)	915.33	109.64	1,024.97

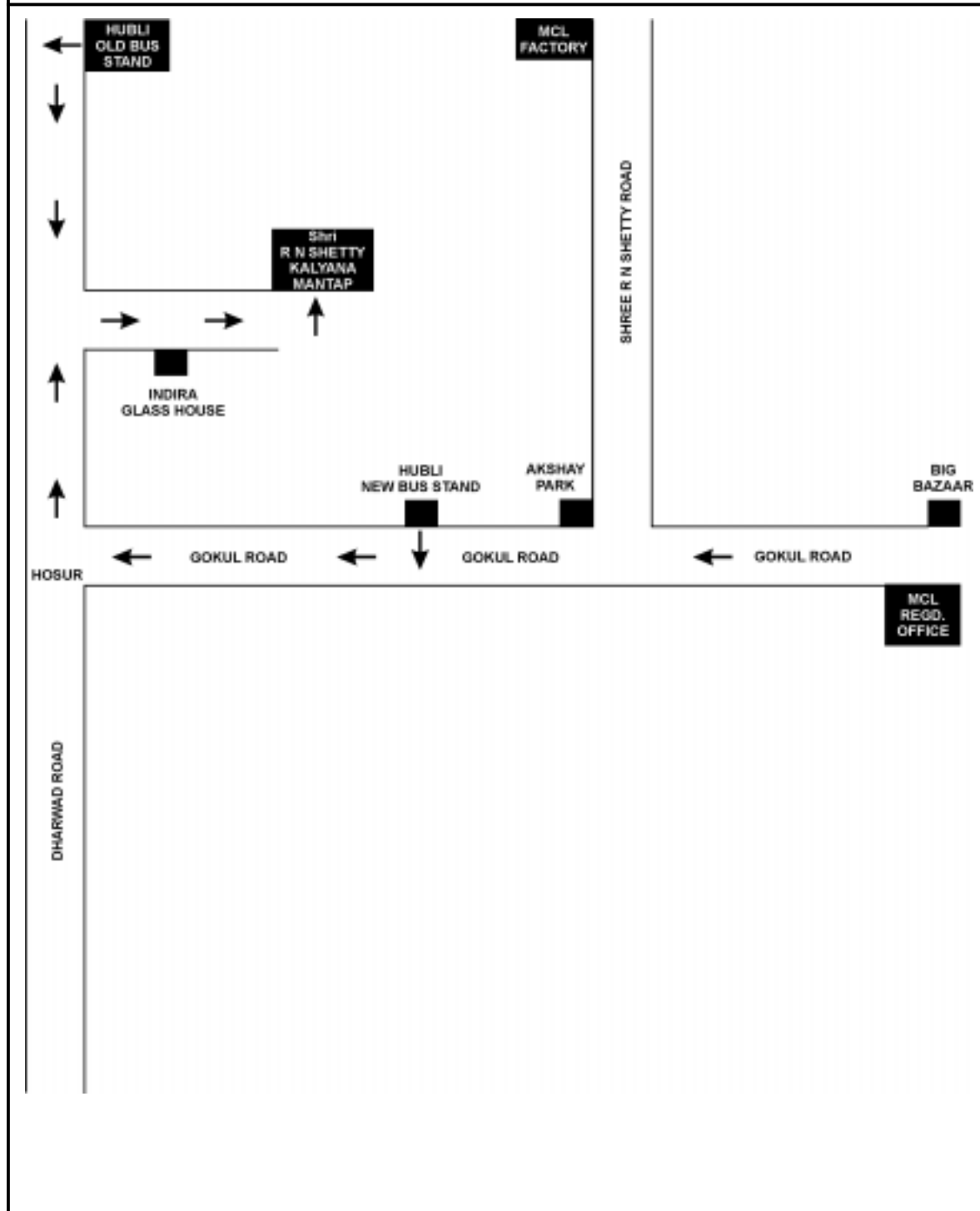
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 27 DISCLOSURES UNDER ACCOUNTING STANDARDS (Contd.)

Note	Particulars			
27.2	Related party transactions			
	Details of related parties:			
	Description of Relationship			
	Satish R Shetty Companies Under Common Control	Chairman and Managing Director M/s. RNS Infrastructure Ltd M/s. Murudeshwar Power Corporation Ltd. M/s. Naveen Hotels Ltd. M/s. RNS Motors Ltd. M/s. R N S Power Ltd., R N Shetty Trust R N S Trust		
	Key Management Personnel (KMP)	Dr. R N Shetty (upto 17.12.2020) Shri Satish R Shetty Shri Sunil R Shetty Shri Naveen R Shetty Smt. Sudha R Shetty Shri Karan Satish Shetty		
	Relatives of KMP	Shri Satish R Shetty, Shri Sunil R Shetty and Shri Naveen R Shetty are Sons of Dr. R N Shetty Smt. Sudha R Shetty is wife of Dr. R N Shetty Shri Karan Satish Shetty is Son of Shri Satish R Shetty		
	Company in which KMP / Relatives of KMP can exercise significant influence	Above mentioned Group Companies		
	Note : Related parties have been identified by the Management.			
	Details of related party transactions during the year ended 31st March, 2021 and balances outstanding as at 31st March, 2021	Group Companies	Relatives of Key Management Personnel	Total
	Purchase of goods	169.04 (7.38)		169.04 (7.38)
Sale of goods	70.62 (2,541.43)		70.62 (2,541.43)	
Purchase of Fixed Assets	0.35 (-)		0.35 (-)	
Rendering of services : - RNS Infrastructure Limited	1,733.76 (2,118.18)		1,733.76 (2,118.18)	
- Others	587.18 (-)		587.18 (-)	
Investment in Shares	1,097.71 (-)		1,097.71 (-)	
Receiving of services	2.14 (2.23)		2.14 (2.23)	
Dividend Received	68.51 (52.13)		68.51 (52.13)	
Balances outstanding at the end of the year				
Trade receivables	1,245.75 (2,088.34)		1,245.75 (2,088.34)	
Trade payables	180.68 (10.93)		180.68 (10.93)	
Note : Figures in brackets relates to the previous year				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 27 DISCLOSURES UNDER ACCOUNTING STANDARDS (Contd.)

Note	Particulars	Year ended 31st March 2021	Year ended 31st March 2020
		(₹)	(₹)
27.3	Earnings per share		
	Basic		
27.4	Continuing operations		
	Net profit / (loss) for the year from continuing operations	(12,11,23,764)	1,44,87,000
	Less : Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(12,11,23,764)	1,44,87,000
	Weighted average number of equity shares	4,87,63,270	4,75,73,922
	Per value per share	10	10
	Earnings per share from continuing operations - Basic	(2.48)	0.30
27.5	Income tax expense in profit and loss account consist of following	(₹ in Lakhs)	(₹ in Lakhs)
	Current Tax	(8.35)	56.79
	Prior Period Tax	-	(1.01)
	Deferred Tax	(412.18)	157.41
	MAT Credit Entitlement	4.97	(56.79)
	Total Tax expenses	(415.56)	156.40
	Reconciliation of taxes to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarised below :-		
27.6	Profit before taxes	(1,594.67)	525.30
	Applicable rate	27.82%	27.82%
	Computed Tax Charge	8.35	55.80
	Less : Tax effect due to difference in tax rates	-	-
	Less : Reversal of excess provision for previous year	-	1.01
	Add : (Increase) Decrease in Deferred Tax Liability	(412.18)	157.41
	Less : Increase (Decrease) in Deferred Tax Asset	-	-
	Less : MAT Credit Entitlement	(4.97)	55.80
	Total Tax Expense	(415.56)	156.40
	Less : Total Expense as per P & L	(415.56)	156.40
	Balance	Nil	Nil

SHRI R N SHETTY KALYANA MANTAP - AGM LOCATION



MURUDESHWAR CERAMICS LIMITED

Regd.Office : 604/B, Murudeshwar Bhavan, Gokul Road, Hubballi - 580 030

CIN:L26914KA1983PLC005401

38th ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Regd. Folio No/Client ID

Name & Address of First/Sole Shareholder

E-mail ID

No. of Shares.....

I hereby record my presence at the Annual General Meeting of the Company to be held on Saturday, September 25th, 2021 at 3 P.M at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi - 580 029.

Signature of the Member / Proxy

Members are requested to fill up the attendance slip and hand it over at the venue.

Members are requested to bring their copy of Annual Report to the meeting as no copies will be distributed at the venue.

MURUDESHWAR CERAMICS LIMITED

Regd. Office : 604/B, Murudeshwar Bhavan, Gokul Road, Hubballi - 580 030

CIN: L26914KA1983PLC005401**38th ANNUAL GENERAL MEETING****PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	L26914KA1983PLC005401
Name of the Company	MURUDESHWAR CERAMICS LIMITED
Registered Office	Murudeshwar Bhavan, Gokul Road, Hubballi - 580 030
Name of the Member	:
Registered Address	:
E-mail ID	:
Regd. Folio No. / Client ID / : DP ID	:

I/We being the member(s) of _____ shares of the above named company, hereby appoint :

1) Name.....Address.....

E-mail ID.....Signature.....or failing him/her

2) Name.....Address.....

E-mail ID.....Signature.....or failing him/her

3) Name.....Address.....

E-mail ID.....Signature.....

As my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 38th Annual General Meeting of the Company to be held on Saturday, September 25, 2021 at 3 P.M at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi - 580 029 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl.No.	RESOLUTIONS	Optional*	
		For	Against
	Ordinary Business		
1	Adoption of Financial Statements for the year ended 31st March, 2021		
2	To appoint a Director in place of Shri Sunil Rama Shetty (DIN : 00037572), who retires by rotation and being eligible, offers himself for reappointment.		
	Special Business		
3	Reclassification of Authorised Share Capital of the Company.		
4.	To alter in the Capital Clause of Memorandum of Association of the Company.		
5.	To adopt Memorandum of Association as per the provisions of the Companies Act, 2013.		
6.	To adopt a new set of Articles of Association for the company pursuant to Table - F of the Schedule-I of the Companies Act, 2013.		

Signed this day of2021

Affix Re. 1/-
Revenue
Stamp

Signature of Shareholder: Signature of Proxy holder(s).....

Notes :

1. The Proxy Form should be signed across the revenue stamp as per specimen signature(s) registered with the Company.
2. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
3. A Proxy need not be a member of the Company.
4. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.