

Annual Report 2020-21



exaro[®]
TILES
Passion for Innovation



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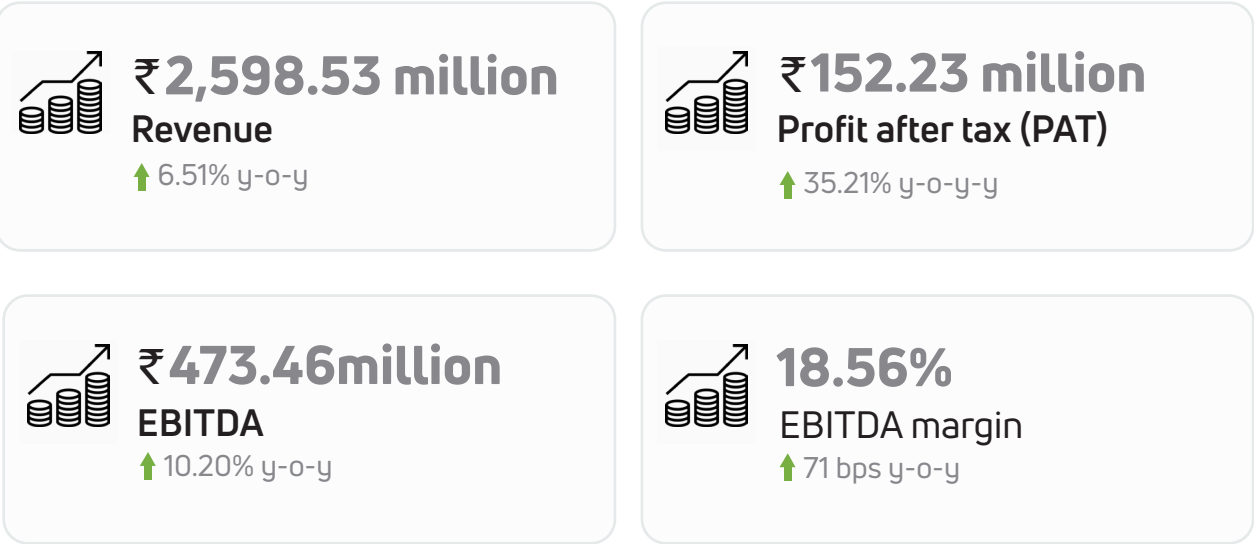
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FY2021 highlights



Forward-looking statement

The Report contains forward-looking statements, which may be identified by their use of words such as ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ or other words of similar meaning. All statements that address expectations, projections about the future, including, but not limited to, statements about the Company’s strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified the information independently.

Expanding the horizons

From a small company to becoming an industry leader with global presence today, our story has been one of determination and transformation. With several achievements to our credit, we have grown from strength to strength and our journey continues.

Every tile we develop, is a testament to our goal of continuously raising the bar and setting new standards.

We manufacture products that are stylish, cost-effective and exceed customer expectations.

We set new benchmarks in aesthetics, quality and delivery every day.

We not only manufacture tiles according to the market trends, but also set new trends for others to follow.

These traits have enabled us to enhance our profitability in a year that was rife with challenges. [Read more on page 28]

And the strategic priorities we have set for ourselves have positioned us well to carve a bright future for ourselves and our stakeholders. [Read more on page 34]

Exxaro is ready to take on the industry with its strong performance and a roadmap towards a successful future. We are expanding our horizons and are set to create long-term, sustainable value for all those associated with us.



Beautifying spaces – Since 2008

When you step into a home or an office space, it is the interiors that create the first impression. The spaces worth mentioning have something to say about the kind of people who live and work there. And an important element that makes the interiors unforgettable are the tiles.

At Exxaro, our art lies in crafting tiles that not only make our customers' residential and industrial spaces look opulent but also evoke emotion and inspire action.

Our tiles articulate your stylish desires and personify the spaces that mean so much to our customers.



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About Exxaro Tiles

Bringing style and excellence together

Exxaro Tiles Limited (Exxaro Tiles) is engaged in the manufacturing and marketing of vitrified tiles that primarily used as flooring solutions. We began our journey in 2007-08 as a partnership firm that manufactured frit, a raw material used in tile manufacturing. Today, we export our products to countries across the globe and have grown to become a recognised brand among architects, interior designers and builders.

Developed mainly in six sizes and over 1,000 designs, our name has become synonymous with precision and quality. Each tile undergoes a rigorous testing process to ensure it exceeds quality standards and stands the test of time. With our state-of-the-art manufacturing facilities and efficient in-house processes, we have been able to meet the evolving demands of our customers and made our mark in India's ceramic industry.

Exxaro Tiles in numbers

132 lakh sq. m
Production capacity
per annum

1,000+
Designs

2,000+
Dealers

2
Manufacturing facilities

24 states
Domestic presence

12 countries
Export presence



Vision

To uphold quality at every stage and maintain consistency to win the trust of our customers and stakeholders by providing innovative lifestyle solutions and to create a global leader position.



Mission

Achieving customer delight through business innovation and cost effectiveness while pursuing latest fashion trends in tiles products for creating stakeholder values by rapidly growing our turnover and profitability



Belief

A touch of quality in our relations



Values

Discipline: We are focused and disciplined in our business activities.

Integrity: We conduct our business with utmost honesty and transparency.

Responsibility: We deliver what we promise.

Quality: We seek continuous improvement in all that we do.



Focus areas

Strengthening our design and research capabilities yields global competitiveness.

Product Innovation as per Industry Standard

Quality and customer focus

Continuous improvement

Teamwork

Higher employee retention rate

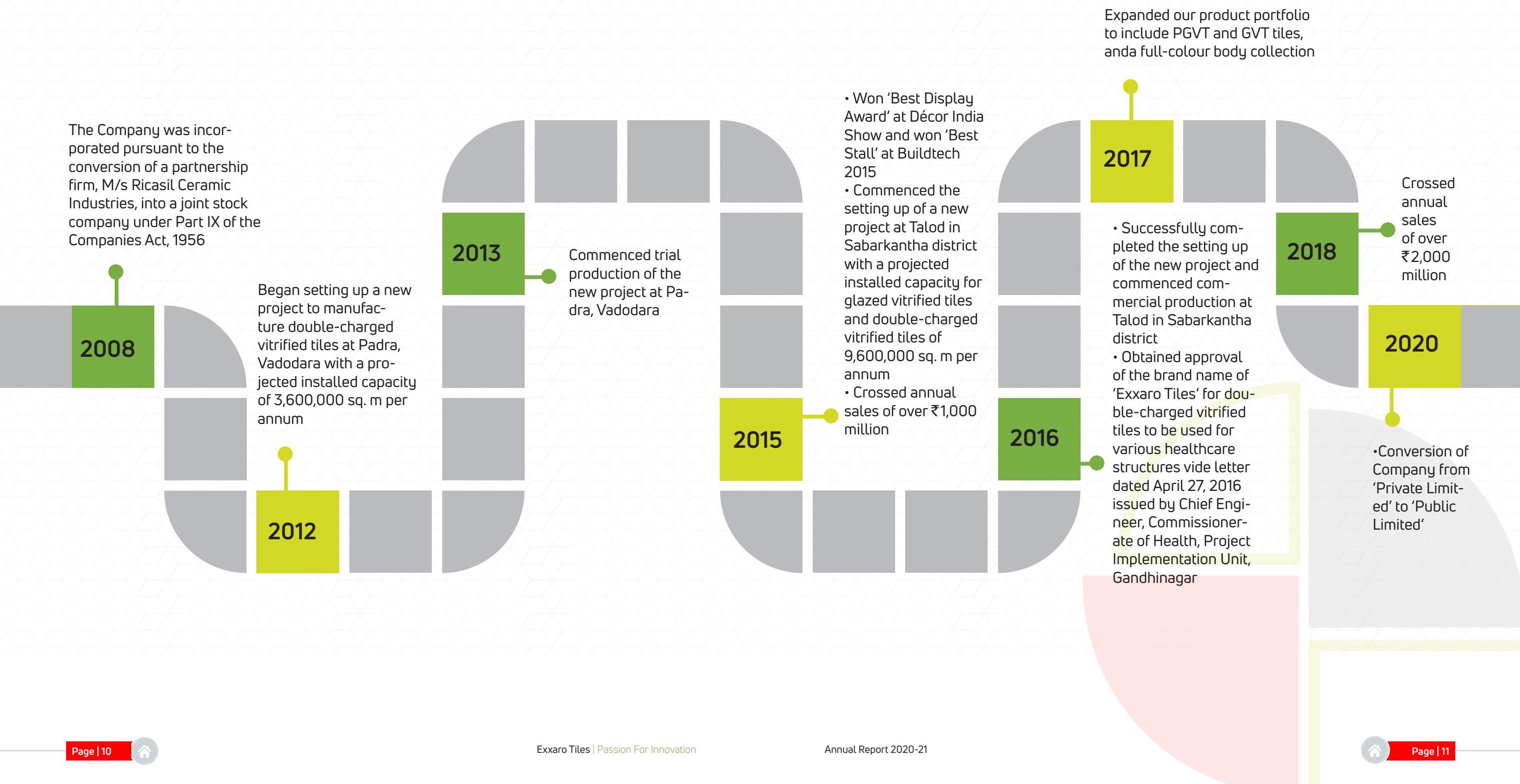
Recognitions



Evolution

Journey of transformation

Ours has been a journey of consistent growth and evolution. We believe in the adage 'Change is the only constant' and are continuously updating ourselves with the latest trends and technologies to cater to the dynamic needs of customers not only in India but also other countries globally.



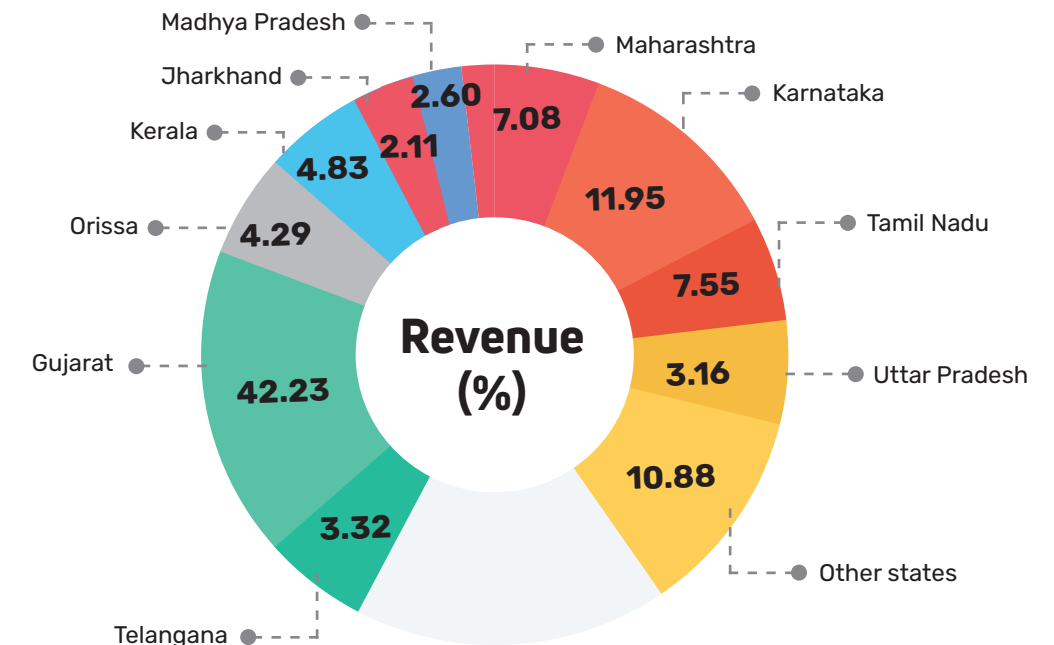
Presence

Taking the brand overseas

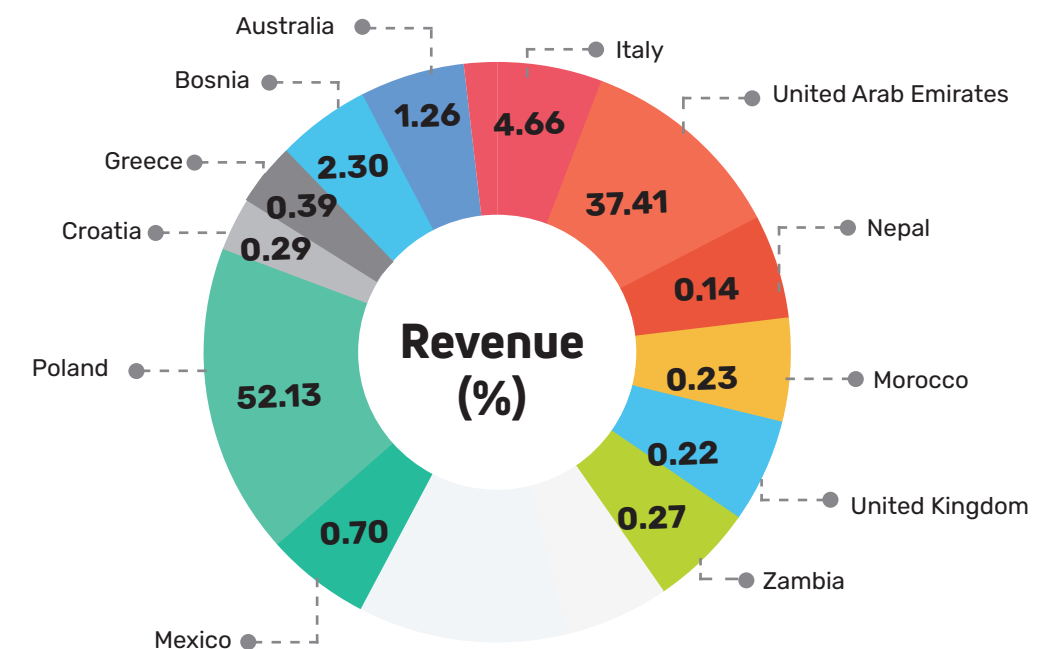
With our two manufacturing facilities in Gujarat, we have taken the 'Exxaro' brand to 12 countries across five continents. This has been possible because we are an organisation that believes in continuous learning. We learned from the best in the industry and developed insights across the value chain – from product designing and process development to manufacturing and marketing. Today, customers both within and outside India trust our tiles for their superior quality and attractive designs.



Revenue by geography – Domestic



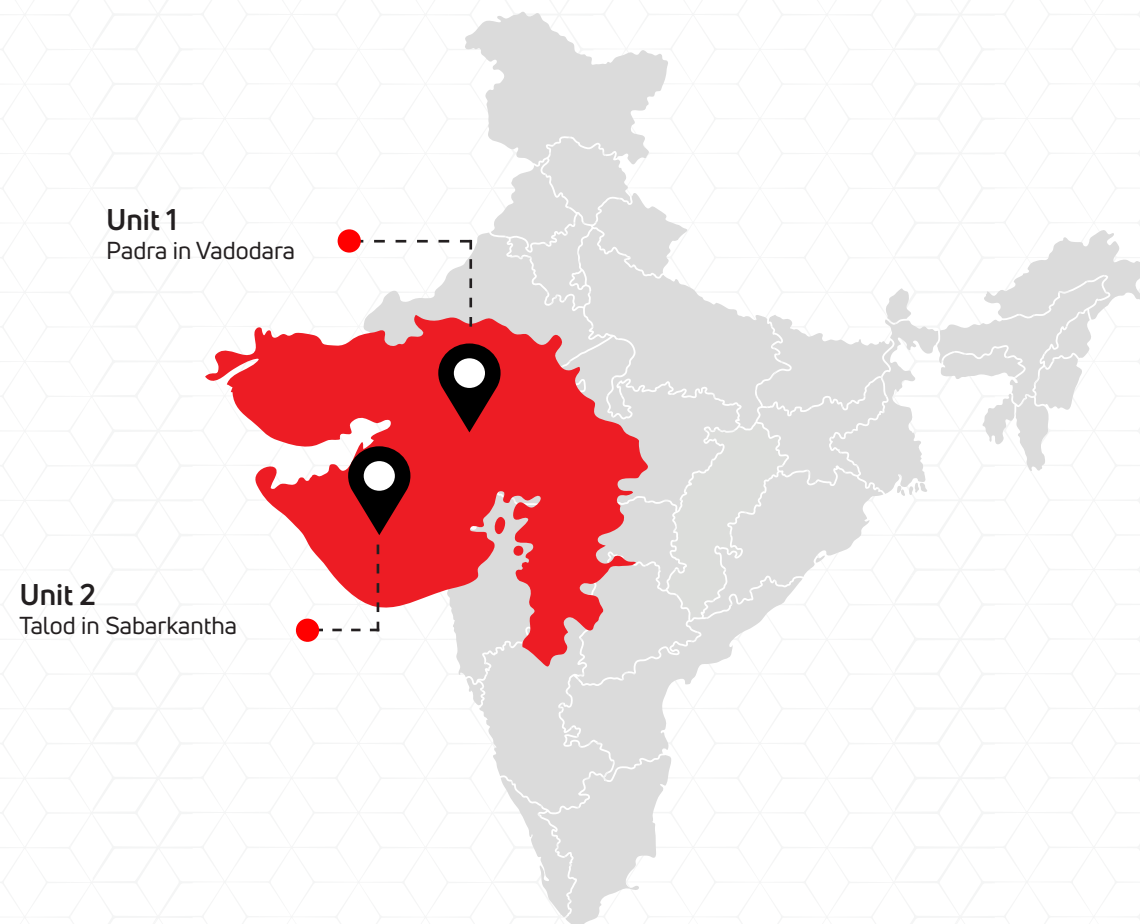
Revenue by geography – International



Manufacturing capability

State-of-the-art facilities

We have two multi-purpose facilities in Padra (Vadodara district) and Talod (Sabarkantha district) in Gujarat, spread across 1.5 lakh sq. m. They are equipped with modern machinery that allow us to custom-manufacture tiles in various sizes to suit our customers' needs.



Manufacturing specifications

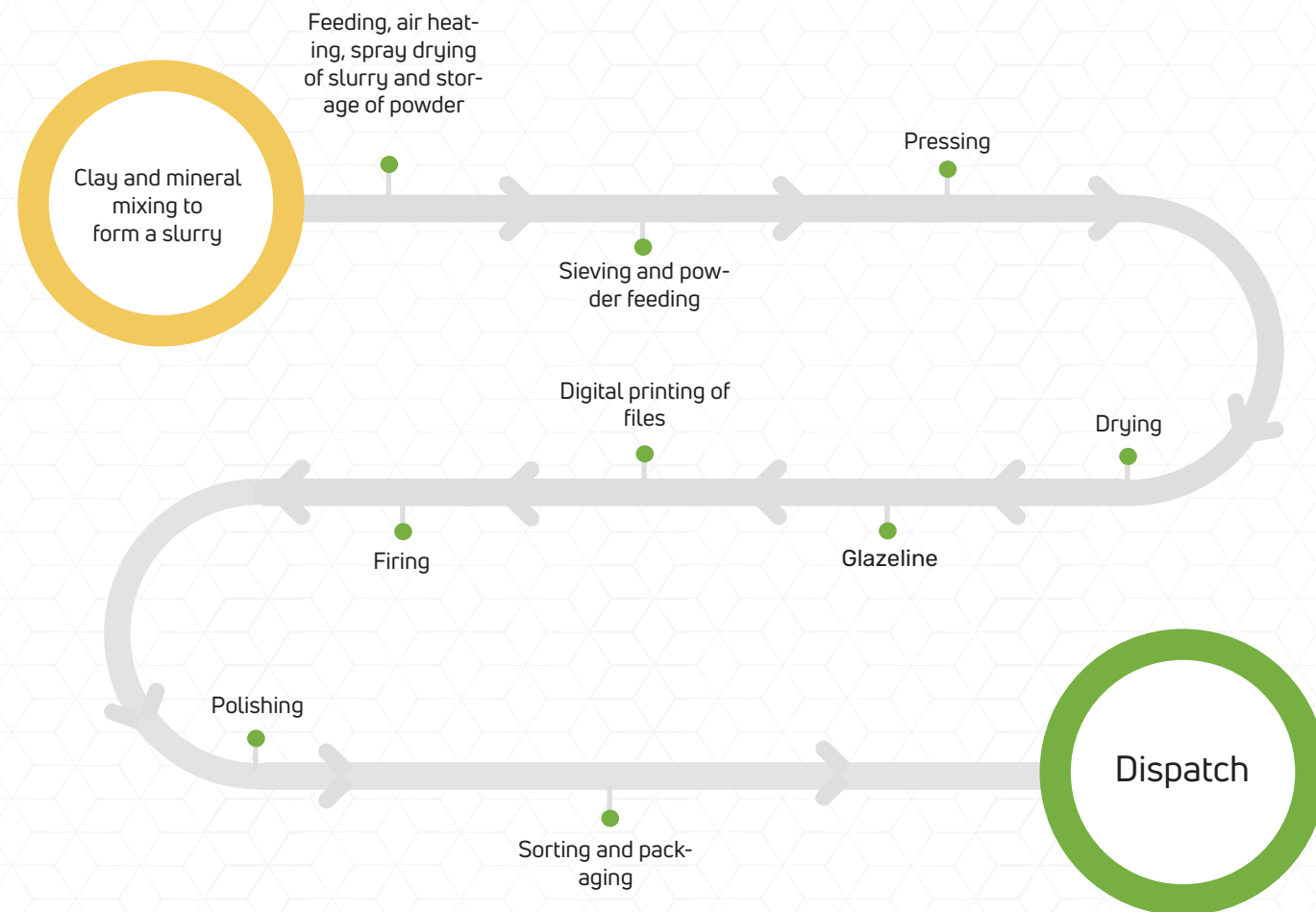
Facilities	Area	What we manufacture	Installed capacity	Actual production	Capacity utilisation
Unit 1	37,460 sq. m	Double-charged tiles	36,00,000 sq. m	23,19,626sq. m per annum	64.43%
Unit 2	1,23,504 sq. m	Single largest plant for manufacturing glazed vitrified tiles under one roof in India	96,00,000 sq. m	69,07,100sq. m per annum	71.95%

Both our facilities conform to the norms of the Pollution Control Board (PCB) and have the requisite ISO accreditations. They include common facilities such as an in-house laboratory and workshop.

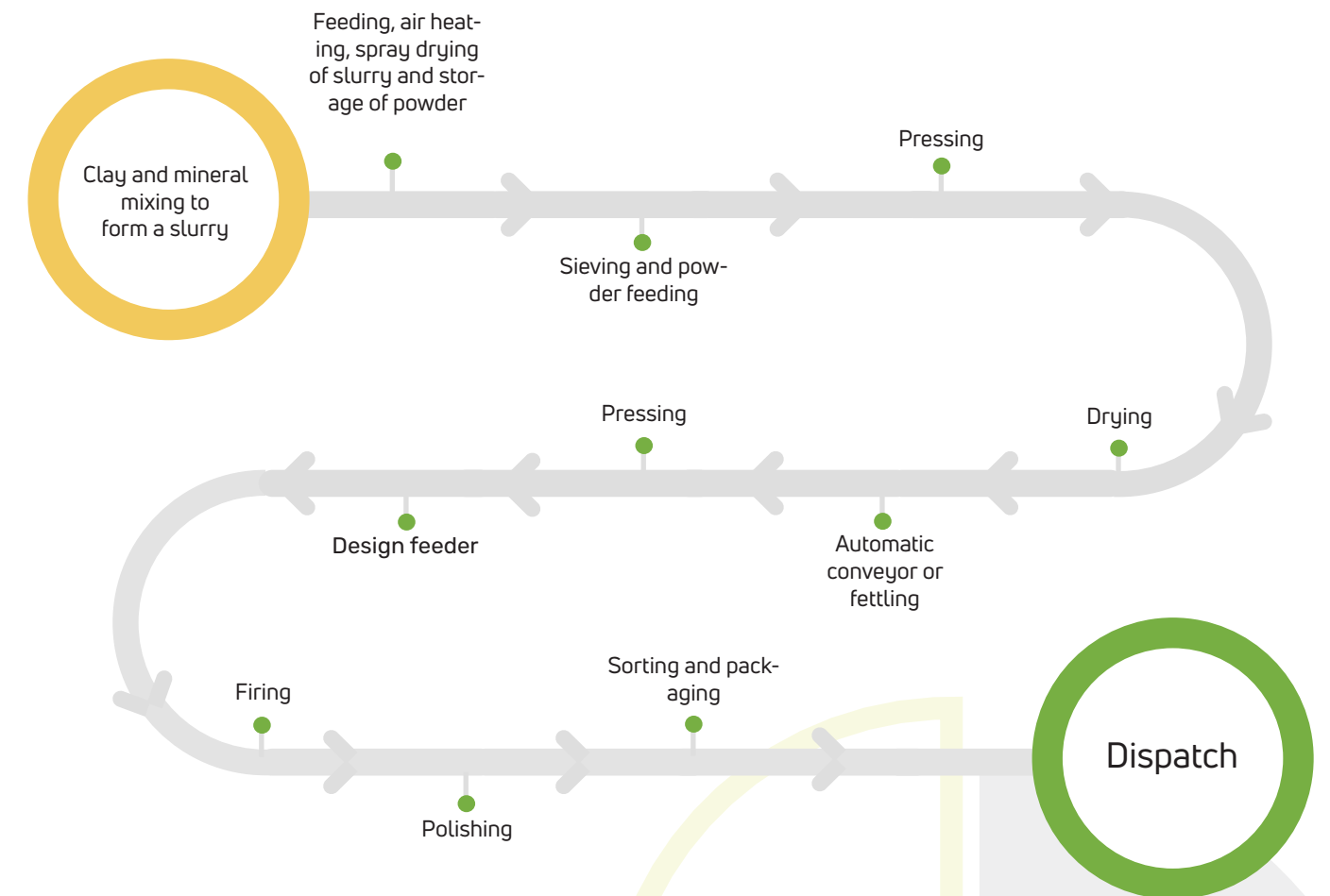


Manufacturing process

Glazed vitrified tiles



Double-charge vitrified tiles



Products

Tiles that exhibit craftsmanship par excellence

Tiles do not form just the strong foundation for your home or office; they also add aesthetic value to the space. We understand the importance of tiles in beautifying the spaces that our customers love. As India's leading player in the flooring industry, we serve the flooring needs of our clients through our comprehensive product portfolio that offers stylish design and high quality.

Offerings

Tile categories

Double-charge vitrified tiles

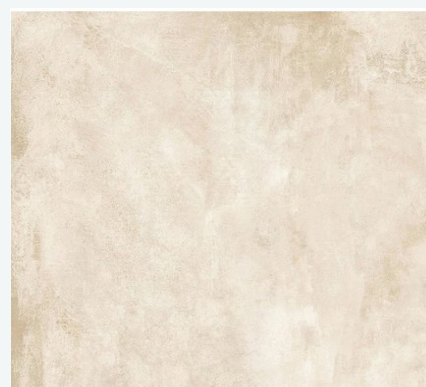


600 X 600 | 800 X 800

Finishes

- Glossy finish

Full-body vitrified tiles



600 X 1200 | 800 X 1600
600 X 600 | 800 X 800

Finishes

- High gloss • Rocker finish • Butter finish
- Matt finish • Sugar finish • Book match
- Glossy finish • 3D series

Glazed vitrified tiles: These tiles are flat slabs manufactured from ceramic materials such as clay, feldspar, quartz and other additives, and fired at high temperatures to ensure high strength and low water absorption. The slabs are coated with glaze materials prior to the firing process.

Double-charge vitrified tiles: The tiles are fed through a process that prints the pattern with a double layer of pigment and double charge finish.

Applications

- » Airports
- » Hotels
- » Interior design and furnishing
- » Homes
- » Restaurants
- » Kitchens and bathrooms
- » Shops
- » Ventilated curtain walls
- » Offices
- » Retail malls
- » Museums
- » Spa and wellness centres

Features

- » Perfectly flat
- » Easy to clean
- » Hygienic
- » Lightweight tiles that are easy to handle
- » Resistant to chemicals
- » Bending strength
- » Easy to install
- » Resistant to traffic and wear

Leadership

Board of Directors

Tiles do not form just the strong foundation for your home or office; they also add aesthetic value to the space. We understand the importance of tiles in beautifying the spaces that our customers love. As India's leading player in the flooring industry, we serve the flooring needs of our clients through our comprehensive product portfolio that offers stylish design and high quality.



Mukesh Patel
Chairman and Managing Director

Member of Audit Committee

Mr. Mukesh Patel has 19 years of experience in the building material and ceramic industry. He has been instrumental in planning and formulating the overall business and commercial strategy and developing business relations of our Company. He looks after and manages the entire accounting and financial operations of our Company.



Kiran Patel
Whole-time Director (Sales and Marketing)

Member of Stakeholders' Relationship

Mr. Kiran Patel was a proprietor for five years at Sunshine Vitrified Tiles. He has 15 years of experience in sales and marketing in the manufacturing industry. He is responsible for the sales and distribution in the Company and oversees the HR department.

Mr. Dinesh Patel has 18 years of experience in the manufacturing industry, covering production activities, streamlining processes and procedures to facilitate smooth production process and ensuring enhanced productivity. He manages the production and administrative operations at the manufacturing facility of the Company at Talod.



Dinesh Patel
Whole-time Director (Operations)

Management Team



Kamal Dave
Independent Director

Member of Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee

Mr. Kamal Dave has 12 years of experience in the field of accounts and finance. He is a practicing Chartered Accountant and has been the sole proprietor of M/s. Kamal Dave and Co. since 2009. He is also a member of the Institute of Chartered Accountants of India.



Nidhi Gupta
Independent Director

Member of Nomination and Remuneration Committee

Ms. Nidhi Gupta has six years of experience in the field of accounts and finance and has worked as a Chartered Accountant at Kalani & Company, Chartered Accountants from 2008 to 2012 and with the Sandesh Limited as Senior Officer – General Accounts from 2016 to 2018. She is currently working as Assistant Manager Accounts & Finance with Satyesh Brinechem Private Limited.



Daxesh Kumar Thakkar
Independent Director

Chairman of Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee

Mr. Daxesh Kumar Thakkar has over 22 years of work experience in the legal field as an independent legal tax consultant and has been providing legal tax consultancy services through his own consulting firm, Daxesh M. Thakkar, Advocate from 1999 till date. He is also on the Board of Akshar Ispat Limited.

Key professional team



Himanshu Shah
Chief Financial Officer



Ajay Kumar
Vice President (Manufacturing)



H. K. Natesh
Vice President (Sales and Marketing,
Karnataka)



Harkishan Jagad
Associate Vice President (Sales and
Marketing)



Sumit Bansal
Associate Vice President (Sales and
Marketing)



Moinuddin Rabbani Shaikh
General Manager (Sales and Market-
ing - West; Maharashtra)



Vijay Gaigole
General Manager (Sales and Mar-
keting - East; Assam, West Bengal,
Chhattisgarh, North East)



Divyesh Ruparel
General Manager (Export Division
International Sales and Marketing)



Nilesh Mistry
General Manager (Commercial)



Anas K. A.
Deputy General Manager (Sales
and Marketing - Kerala)



Paras Shah
Company Secretary



Chamraj Gaonkar
Assistant General Manager (Sales
and Marketing - Project)



Rambhushan Yadav
Head of Human Resources



G. Thrivikrama Rao
Assistant General Manager (Sales
and Marketing - Tamil Nadu)

Performance that creates value for all

Our strong performance, coupled with our focus on building strategies and capabilities for the future, has enabled us to drive sustainable shareholder value and deliver accelerated growth. Despite the challenging year, we made tremendous progress and seized momentum gains that position us well in the year ahead.

From a small business to a globally acclaimed tile manufacturer, we are setting ourselves up for another decade of success.

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Message from the Chairman and Managing Director

Building on the momentum

Dear Shareholders,

FY2021 continued to be a challenging year for India and the world. COVID-induced lockdowns continued in several parts of the world. Business saw disruptions due to restrictions issues by the governments of different countries. As the cases gradually decreased, the ramped up vaccination programme started by different countries brought in a ray of hope.

Despite the sombre environment, Exxaro Tiles delivered resilient performance by aggressively setting up growth strategies, undertaking judicious steps towards expansion, optimising cost efficiencies and strengthening the balance sheet. For this strong performance, I would like to thank the entire Exxaro team for their efforts and dedication. Without your commitment to deliver your best every day, we would not have been able to beat the odds.



Resilient performance

Despite the overwhelming headwinds, our revenue in FY2021 grew by 6.51% to ₹2,598.53 million compared to ₹2,439.64 million in FY2020. Our EBITDA margin stood at 18.56%, while out PAT was ₹152.23 million.

Our strong performance can be attributed to the rise in demand for ceramic tiles in domestic and international markets from Q2 FY2021. The governments' anti-dumping duty on import of ceramic tiles from China proved to be an advantage to India, making it the second-largest tiles manufacturer in the world. With our competitive rates and superior quality, we were able to leverage this opportunity and expand our export footprint, primarily to the US. Further, government initiatives to ensure housing for all fuelled demand for real estate, in turn increasing the demand for our tiles. Our plants ran at 91% capacity from Q3 to Q4 of FY2021. We are confident that the demand will continue to remain high for ceramic tiles in the upcoming years, thus ensuring a road of success for your Company. We hope to achieve 20% topline growth in the years to come, up from 5.98% in FY2021.

Creating long-term value

Whatever we do, our ultimate aim is to create sustainable, long-term value for all our stakeholders. Backed by our competitive advantages, we aspire to grow from strength to strength and enhance our value creation process.

Our manufacturing facilities in Talod and Padra are equipped with modern machinery that allow us to innovate and come up with a variety of attractive designs. Today, we manufacture tiles in over 1,000 designs and in six sizes. We have an in-house laboratory that undertakes strongest quality checks to ensure that our products adhere to the highest quality standards.

We have maintained enduring relationships with our dealers and they help us ensure better pricing and faster delivery of our products. They also analyse market trends and assist us in product development. Our team of over 500 people are passionate about what they do. They come to work every day with a zeal to deliver value to customers.

Finally, we believe that a company's financial performance must be complemented with social performance. Exxaro has taken the responsibility of encouraging and supporting communities in the region where it operates.

A dedicated team

For us at Exxaro, employee satisfaction and well-being is primary. They are our backbone and play a crucial role in the quality and reputation we have maintained till date. With every step we take, we prioritise long-term value creation for our people. We set up labour colonies and provided hygienic accommodation and food to the people working in our plants. This allowed us to run our plants seamlessly. Our management did not think twice before offering financial and medical support to employees in need during these difficult times.

Ready to leverage opportunities

We have built a strong business and are further enhancing it to capitalise the opportunities that the industry has to offer.

Our focus is on diversifying our product portfolio by introducing ceramic wall tiles and tiles for outdoor and parking areas. We are also investing more in advertising our products and creating a brand recall in customers' minds. While we have a strong presence in India, we are strengthening our footprint in the eastern regions and building a larger network of dealers. Internationally, we are ready to capitalise on the increasing demand for Indian tiles and are also focusing on exploring the geographies of Spain, Mexico Italy and USA. We are setting up our own gas station to optimise our fuel and power costs, and are making investments towards technology enhancements to increase asset productivity, operating efficiencies and strengthen our competitive position.

We are confident that these prudent decisions will allow us to achieve our vision of around ₹10 billion topline by FY2026. We are now well positioned to steer ahead of competition and become a preferred tile manufacturer not only in India but all over the world.

I am pleased to inform you that we are planning to come up with an IPO of ₹1,600 million in August 2021, with ₹250 million being offered on sale. We will utilise the amount for payment and repayment of certain secured borrowing availed by us, funding the working capital requirements of the Company and general corporate purposes. As I conclude, I would like to extend my gratitude to the shareholders and investors for your continued faith and support. Your Company is headed towards a strong future and we are glad you are a part of our journey.

Best wishes,
Mukesh Patel
Chairman and Managing Director

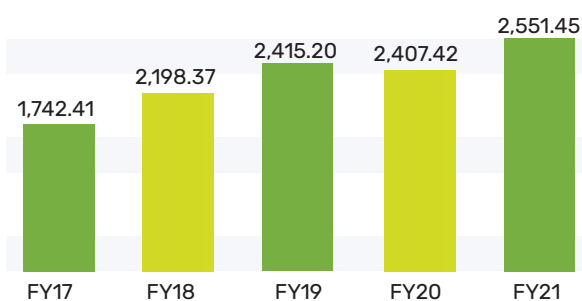


Key performance indicators

Progressing against all odds

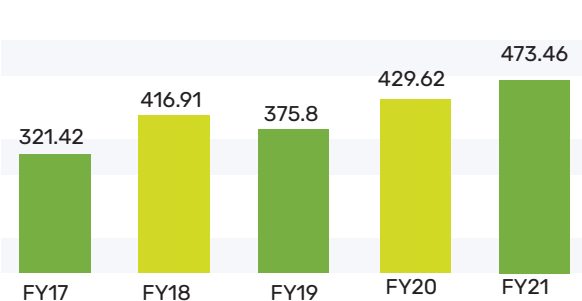
Despite the pandemic, we have maintained steady growth across most of our performance parameters. We have held our own with our strong customer base, steady expansion, and robust risk management and governance frameworks. All these steps have allowed us to expand our horizons, maintain steady performance and create long-term value for our stakeholders.

Revenue from operations (₹ million)



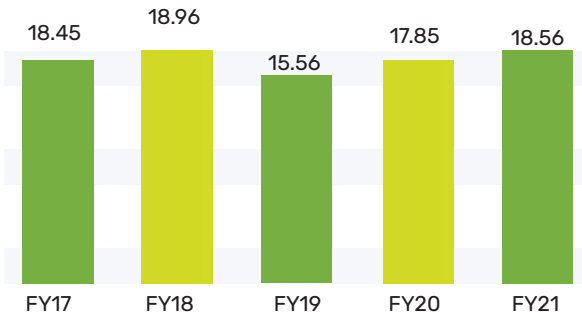
5.98% y-o-y growth | 10% (5-year CAGR)

EBITDA (₹ million)



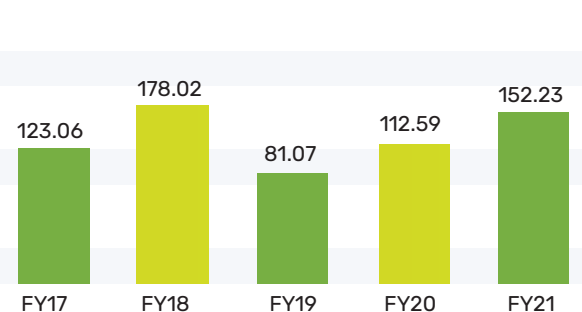
10.20% y-o-y | 10.17% (5-year CAGR)

EBITDA margin (%)



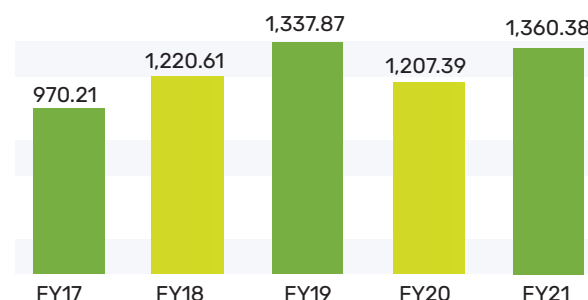
3.98% y-o-y | 0.15% (5-year CAGR)

PAT (₹ million)



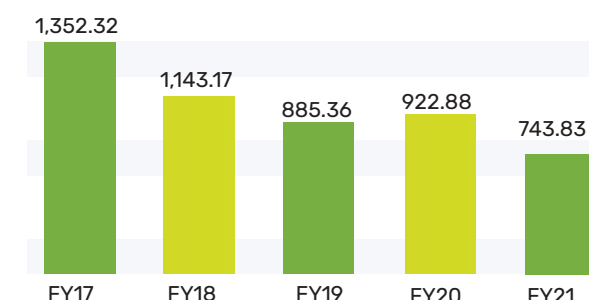
35.21% y-o-y | 5.46% (5-year CAGR)

Net worth (₹ million)



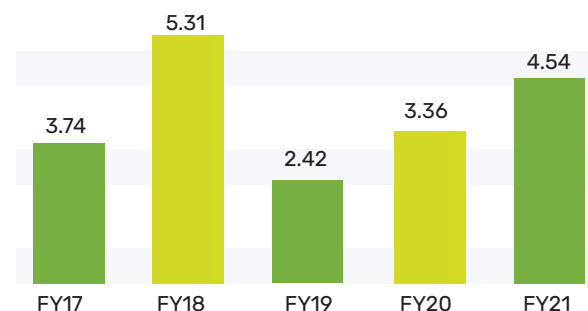
12.67% y-o-y growth | 8.82% (5-year CAGR)

Long-term debt (₹ million)



-19.40% y-o-y | -13.88% (5-year CAGR)

Earnings per share (₹)



35.12% y-o-y | 4.97% (5-year CAGR)

Note: FY17, FY18 and FY19 are as per IND GAAP and FY20 and FY21 are as per IND AS. So they are not comparable.

Set for the future

At Exxaro, we have distinguished ourselves by our response to challenging circumstances over the years. We took strategic decisions and maintained our competitive advantages, which helped us deliver strong performance and sustainable value to our stakeholders during the year.

For the future as well, we will continue to make judicious decisions, drive profitable growth for the business and reap the benefits of the efforts invested in the past.

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Competitive advantages

Staying ahead of competition

We operate in an industry that is extremely competitive. To stay ahead of our peers, we have built a set of competitive advantages that will augur well for us in the years to come and put us a step ahead in the fierce competition. These competitive advantages are unique to our organization and enable us to build trust among our customers, dealers and other stakeholders.

1. State-of-the-art manufacturing facilities with strong focus on design and quality

We have two manufacturing facilities in Padra (Unit 1) and Talod (Unit 2) in Gujarat, which help us in the manufacture of stylish and high-quality tiles. The facilities are fully integrated and can undertake all processes – right from raw material handling to producing finished goods and dispatching them. They are also equipped with modern equipment such as kiln, press, digital printing and glazing, thus allowing us to custom develop tiles in various designs and sizes, minimise human intervention and optimise cost efficiency. Most equipment is imported and adheres to international quality standards.

Unit 2 is one among the single largest plants for manufacturing glazed vitrified tiles under one roof in India. It is also ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified. Moreover, both our units are CE compliant.

Our in-house laboratory enables us to conduct tests and analyse various products, while also facilitation the development of new products

In the years to come, we will continue to enhance our manufacturing processes to increase asset productivity and strengthen our competitive position.

2. Widespread sales and dealer network

In India, we supply our products through two models:

1. Through dealer network
2. For infrastructure-related projects and to private customers

As on March 31, 2021, we have 2,000+ dealers in India and presence in 24 states. Our enduring relationships with our dealers have allowed us to develop innovative designs, meet stringent quality and technical specifications and offer better pricing and delivery terms. Thus, our customer retention is high and we continue to earn their trust.

Our dealer network is supported by an able in-house sales and marketing team. The two teams work together to analyse customer inputs and market demands, and devise a product development strategy. Till date, we have 80+ people in our sales and marketing team and are looking to expand the team as demand for our products increases.

3. A wide product portfolio

We began our journey with the manufacture of frit – a raw material use in the manufacturing of tiles. Today, we manufacture a wide variety of tiles according to customer needs.

As on March 31, 2021, we manufacture over 1,000 tile designs in six sizes.

With the help of our sales and marketing team, we understand customer demands and trends dominating the market, and develop products accordingly. Our products have several characteristics that set them apart from other players in the market:

- 3D effect in double-charge vitrified tiles
- Replica of natural stones in double-charge vitrified tiles
- High transparent glaze in weight method for glazed vitrified tiles

Quality has been our key focus area, which, coupled with innovation, allows us to offer a wide range of designs and sizes to cater to diverse needs of different customer segment and capture higher market share.

4. Experienced management and dedicated employees

Our Company is led by passionate and experienced individuals who aspire to not only grow the business, but also deliver value to their stakeholders and empower the communities in which they operate. Their expertise allows us to anticipate and address market trends, manage and grow our operations, and maintain and leverage customer relationships.

Our team of 500+dedicated employees enable the organisation to fulfil its vision of being a leader in the industry. Many of our people have been associated with us since over a decade. The management and the team together focus on tending our operating capabilities, improving the quality of our products, continuously upgrading our processes and designs, and taking the business to new heights of success.

Growth strategy

On an ambitious path to success

Our aim is to leverage our competitive advantages and gradually transform our Company into the preferred choice among people looking for tiles. To achieve this goal, we are focusing on expanding our product portfolio and improving our productivity and efficiencies.

We have set out a few business strategies to achieve our organisational goals

1. Strengthen our brand value

We sell our products under brand 'Exxaro' and are making consistent efforts to enhance our brand visibility through various initiatives. In FY2021, we spent ₹2.74 million on advertisement and sales promotions to capture the eye of existing and potential customers.

Our key branding initiatives include hoardings, displays at strategic locations such as airports and main markets, distributing promotional materials and increased digital media advertising activities. Further, we plan to participate in more domestic trade exhibitions and start taking part in international trade exhibitions, too, to increase our brand recognition and reach.

2. Expand our dealer network in existing markets and increase our export presence

We are focusing on expanding our dealer network in Tier 2 and Tier 3 cities and rural areas as we believe there are several untapped opportunities for us to explore. We are also appointing more dealers in the states of Arunachal Pradesh, Uttarakhand and Puducherry, where we already have market presence. As we expand our presence in eastern and northern India, we will grow our dealer network in these region as well.

We have export presence in 12+ countries, with our major exports being in Poland, the UAE and Bosnia. We intend to capitalise on the huge demand for Indian tiles in the international markets and explore geographies such as Spain, Mexico and Italy. We will appoint dealers at these strategic locations as our export footprint grows.

3. Increase our sales by enhancing our manufacturing capacities and procuring materials on an outsourced basis

We currently have a combined installed production capacity of 1,32,00,000 sq. m per annum and we utilised 69.90% of the capacity in FY2021, despite the impact of COVID-19 on our business. However, we are cognizant of the increasing demand for our products and are ready to expand our manufacturing capacities and engage with companies who manufacture qualitative products as per our specifications on an outsourced basis. This will allow us to overcome any manufacturing capacity limitations, offer a comprehensive product range to our dealers, and increase sales and cash flow from operations. We have also made advanced payments to obtain land in Morbi to further expand our business.

4. Continue to improve operating efficiencies through technology enhancements

Technology plays a crucial role in our industry. Modern technology and equipment helps in developing better designs, increasing productivity, improving operational efficiencies and strengthening the business. We, thus, continue to invest to develop our in-house technology capabilities to ensure quality control and deliver enhanced customer service.

We are also setting up a gas station for internal gas consumption to optimise fuels and power costs. For FY2021, our power and fuel expenses accounted for 29.37% of our revenue from operations. Our own gas station will help us reduce external dependency and improve our operating margins.

Innovation

Evolving with the changing trends

Crucial to product development is our ability to innovate. Consumer needs are constantly changing and to stay on top of our game, we must expand our research and development and come up with out-of-the-box ideas and designs that will appeal to them. We deliver value through our products that have enhanced style and are of superior quality. Our export presence allows us to understand the needs of our international customers and develop designs that suit their tastes.

Our manufacturing facilities are equipped with modern machinery that are imported from leading suppliers. The equipment include:

- **4-layer nano technology:** The technology enhances the elegance and quality of tiles. It gives tiles more than 95% glossy finish, which not only adds more shine to the tiles, but also makes them skin and stain resistant, durable and easy to maintain.
- **QC with plano meter:** The technology stringently controls quality, leading to uniform perfection and in turn, superior customer satisfaction.
- **FGVT and full colour body tiles:** FGVT tiles are a new revolutionary product. They are manufactured through a rigorous heating process under a 243-meter-long kiln. FGVT tiles are flatter, smoother and stronger, and also stain resistant. The technology allows us to manufacture tiles in unlimited shades and design.
- **Double-charge 3D effect tiles:** We are one of the early introducers of 3D effect on tiles in India. The unique 3D effect imparts lively and vibrant imaging on the tiles.



Ball mill



Spray dryer



Press



Kiln



Polishing line



Digital printing machine



Glazing line

We have the longest kiln of 243 metre in india

The equipment give us the flexibility to manufacture tiles in various sizes and customise them according to customer needs.

We have also invested in the following technology to enhance the appeal and quality of our products:

Quality

Delivering only the best

While tiles must look stylish and attract the attention of customers, they must also be durable and of superior quality. At Exxaro, each tile undergoes a stringent quality control check in our in-house laboratory before it is approved to be sold in the market.

We believe that maintaining the best standards of quality is a continuous journey. Hence, we are constantly learning from the best in the industry, innovating to develop new products and improving our existing products to suit the dynamic customer needs.

Our commitment to uncompromising quality has won us several certifications:



We inspect the raw materials we receive, and also carefully check the work-in-progress and final products. Our stringent internal procedures ensure quality control at various stages of production, from procurement of raw material and production to the inventory storage. Personnel at the manufacturing facilities monitor the parameters of equipment and stability of materials, report any irregularities in the manufacturing process and make adjustments accordingly.

Doing business responsibly

At Exxaro, we are committed to doing business and growing in a responsible way. This means, fulfilling our responsibility towards all our stakeholders, including the communities where we operate.

To ensure long-term value creation for our stakeholders, we have set up a robust risk management system and corporate governance framework. They ensure that the business is safeguarded against and business operations are carried out in a fair, ethical and transparent manner.

We believe that building a better world begins with us. We provide healthcare and education facilities to the communities around our facilities and strive to work towards our sustainable ambitions

With our strong policies, clear values and strategic business plans, we will continue to do business ethically and with integrity.

Governance

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Risk management

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Corporate social
responsibility

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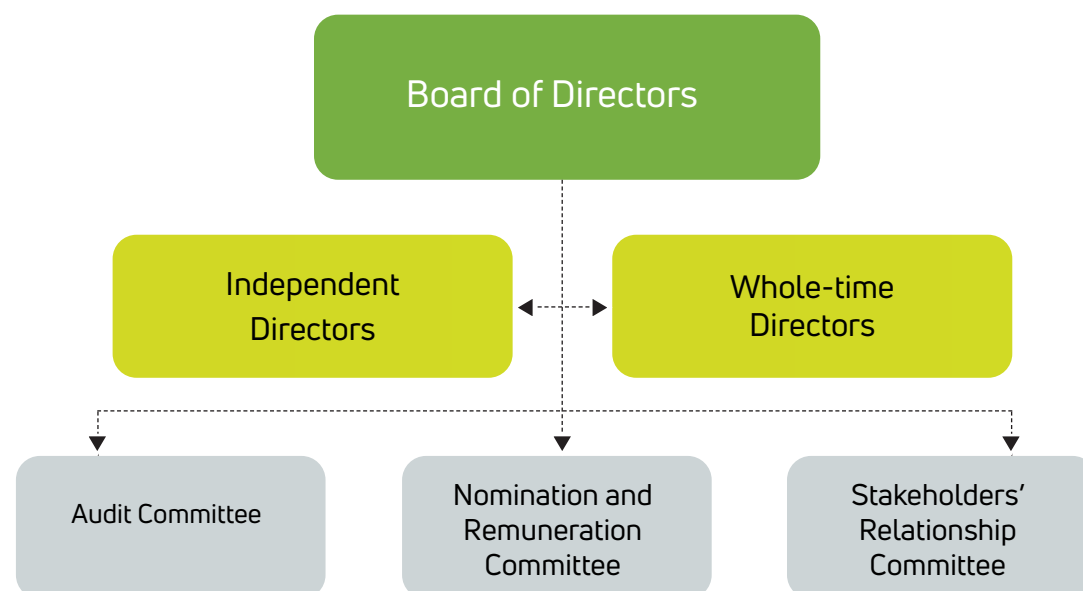
Governance

Operating with integrity

Good corporate governance is integral to the way we do business. It allows us to fulfil our strategic goal of being a trusted partner to all our stakeholders. Therefore, we operate with utmost integrity and the highest standards of ethics and transparency.

With our robust corporate governance framework, we undertake effective risk management, adhere to government rules and regulations, and provide transparency, and in turn, sustainable value to our stakeholders.

Corporate governance framework



Board Committees

The Board of Directors and the Management are assisted by three committees to fulfil the organisation's long-term vision of sustainable value creation

Committees	Responsibilities
Audit Committee	<ul style="list-style-type: none"> Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible Recommend for appointment, remuneration and terms of appointment of auditors of the Company
	<ul style="list-style-type: none"> Approve payment to statutory auditors for any other services rendered by the statutory auditors Review, with the management, the annual financial statements and auditor's report before submission to the Board for approval Review the functioning of the whistle-blower mechanism Scrutinise inter-corporate loans and investments
Nomination and Remuneration Committee	<ul style="list-style-type: none"> Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel and other employees Formulate criteria for evaluation of performance of Independent Directors and the Board of Directors Devise a policy on diversity of the Board of Directors Recommend to the Board, all remuneration, in whatever form, payable to senior management
Stakeholders' Relationship Committee	<ul style="list-style-type: none"> Resolve the grievances of the security holders of the Company, 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 measures taken for effective exercise of voting rights by shareholders Review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensure timely receipt of dividend warrants, annual reports and statutory notices by the shareholders of the Company

Risk management

Creating a strong line of defence

We have a sound risk management framework embedded at all levels of the business – right from our business strategy to our business decisions and operations. We review the existing risks periodically, strive to identify potential risks and formulate strategies to undertake preventive and corrective measures to mitigate them. Our risk management framework helps us attain our objectives – both financial and extra-financial – while adhering to laws and regulations, and allows us to create short-, medium- and long-term sustainable value for our stakeholders.

Risk type	Risk definition	Mitigation measure
Credit risk	Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables and other financial assets including deposits with banks.	The Company manages credit risk through credit approvals, and by establishing credit limits and continuously monitoring the customers' outstanding balances to which the Company grants credit terms in the normal course of business. Trade receivables are reviewed and assessed for default on a quarterly basis. Credit risk on account of financing activities (i.e., balances with banks) is very low, since the Company holds all the balances with approved bankers only.
Liquidity risk	Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.	The Company ensures that it has sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing from both banks and financial institutions at an optimised cost.
Foreign currency risk	Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in foreign currencies (primarily USD and EUR). Consequently, it has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk.	The overall exposure of foreign currency risk is not significant to the operations of the Company.
Interest rate risk	Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The Company's management monitors the rates of interests and continues to evaluate refinancing of debts at lower rates of interest on a regular basis.
Product risk	The Company's financial performance may get materially impacted if its products are rendered obsolete, undesirable or are not able to adapt with the evolving consumer preferences	The Company is known for delivering specialised products having unique features that are based on extensive market research and led by strong in-house R&D capabilities. It has pioneered many products in select categories and endeavours to innovate and refresh its product offerings across the entire portfolio.
Risk from competition	The Company operates in the relatively fragmented industry with the presence of unorganised as	The Company has created a distinct competitive edge in the market by consistently launching innovation-led and

	well as strong organised players. The Company witnesses heightened competitive intensity owing to the industry's lucrative growth prospects. Increasing competitive pressure may affect the Company's ability to maintain profitability and financial performance.	differentiated products. Technological capabilities to deliver high-quality products coupled with an unwavering focus on improving cost efficiencies enables the Company to maintain its competitive position in the market
Operational risk	Any unfavourable external or internal events that interrupt the Company's smooth flow of business operations may impact the Company's top as well as the bottom line.	The Company has established a comprehensive and robust internal control system for all of its operational and financial functions. Regular reviews by the audit team ensure strict adherence to these controls, which enables the Company to achieve desired cost and operational efficiencies.
Distribution risk	Unavailability of the right product at the right time at any of the Company's distribution points may negatively impact its revenue levels, financial results as well as its market reputation.	The Company has a pan-India presence through its wide distribution network with over 2,000 dealers and touch points, and over six exclusive showrooms in India. Today, Exxaro products are exported to over 12 countries. It has dedicated sales and support teams for both domestic as well as international markets to ensure timely and adequate availability of the right products at these locations.
Geographical risk	Country and region-specific unfavourable events may inhibit the Company's ability to sell its product in the affected regions for a prolonged period of time.	The Company's revenue distribution in the domestic markets is well-diversified with East, West, North, and South contributing 10%, 45%, 15%, and 30% respectively. Additionally, with exports to 12 countries, the Company has significantly reduced its geographical concentration.
Risk to brand reputation	With a significant number of players operating in the industry, the brand reputation of the Company could be at risk. The Company might face challenges in maintaining a good brand reputation, which enables it to achieve desired volume sales and provide sufficient pricing power to maintain its profitability levels.	The Company continues to strengthen its 'Exxaro' brand equity by undertaking several initiatives that include dealer engagement, while launching products and running campaigns to create deeper connect with dealers and consumers.
Substitution risk	The Company's financial performance and continued existence may be materially hampered if its products become obsolete due to the emergence of superior alternatives.	The Company strives to mitigate this risk by remaining at the forefront of technology and new product developments. This enables it to adapt to changing business landscape and consumer preferences and capitalise emerging opportunities by providing
		technologically advanced and state-of-the-art products.



Corporate social responsibility

Making a difference

We believe that empowering the communities in which we operate is essential for running a successful business. We strive to undertake initiatives and make contributions to organisations that help us further our goal of community betterment.

Our CSR vision is 'To actively contribute to the social and economic development of the society in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index'.

Promoting education

This year, we donated ~r26 lakh to Shri Jagatbharti Education and Charitable Trust. The support enabled the Trust to provide vocational training and self-employment opportunities to people in the rural area of Surendranagar district in Gujarat.

Efforts were also made towards rural development, community mobilization and livelihood promotion.



Corporate information

Exxaro Tiles Limited – Annual Report 2020-21

Management discussion and analysis

1.Global economy

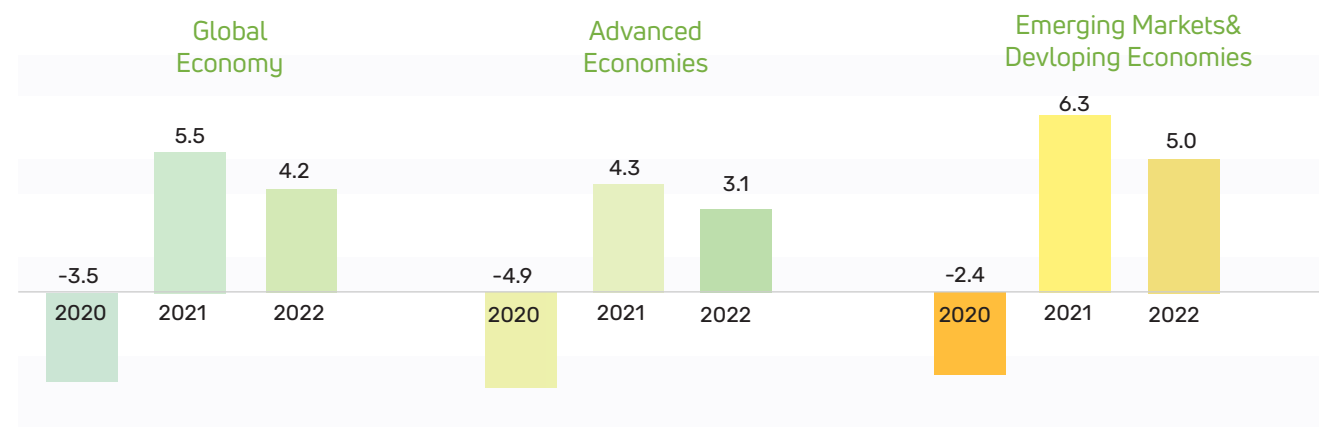
2020 has been an exceptional year for the world. The COVID-19 pandemic disrupted lives and economies, resulting in a high fatality rate. In its World Economic Outlook (WEO) report, the International Monetary Fund (IMF) has predicted the world economy to face deep recession in 2020, with global growth projected at -4.3%.

Due to a marginal fall in the number of COVID-19 cases, countries had started easing their lockdowns partially. However, they were forced to reintroduce restrictive measures as the cases continued to spread across the world. On the bright side, there has been significant progress in vaccine development and some countries have started inoculating citizens. However, some advanced economy and emerging and developing economy countries will have to wait for a wider vaccine distribution to source enough vaccines to inoculate their people.

World economy showed signs of marginal recovery in mid-2020, only to be pushed back to a slow growth path. While trade has improved, tourism continues to degrow due to travel restrictions imposed by countries. There has been an exceptional fall in global investment, especially for emerging and developing economies, excluding China. Towards the end of 2020, as strict lockdowns were eased, commodity prices improved due to a rebound in demand. However, the pandemic seems to have rendered a long-lasting impact on oil prices.

In advanced economies, the stringent social distancing and lockdown measures resulted in a collapse in the demand and supply of services in mid-2020. Strong retail sales fueled growth in the third quarter, but the recovery paused due to the rising COVID cases. With ongoing vaccination, growth in the advanced economies is forecasted at 3.35 this year. US output is estimated to have fallen by 3.6% in 2020 due to a mammoth decline in activity in the first half of 2020. Euro area is expected to witness a sharp contraction of 7.4%, while in emerging and developing economies, it is expected to fall by 2.6%. China has been an exception, witnessing 2% growth owing to effective pandemic control and public investments.





Source: World Economic Outlook

1.1. Outlook

Global growth is projected at 5.2% in 2021 and set to moderate to 3.8% in 2022. In advanced economies, widespread vaccination is expected to fuel growth to 3.5% in 2022. In the US, improved pandemic control measures will aid economic growth. As a result, the economy could recover to 3.5% in 2021 and 3.3% in 2022. After a sharp contraction in 2020, the euro area is forecast to rebound to 3.6% in 2021 on the back of ramped up inoculation and rising external demand, especially from China. The economy is forecasted to witness 4% growth in 2022 due to improved consumption and investment. Growth in emerging and developing economies is forecasted at 5% in 2021 and moderate to 4.2% in 2022. However, the impact on investment and human capital could be long term. In China, release of pent-up demand is expected to fuel growth to 7.9% in 2021.

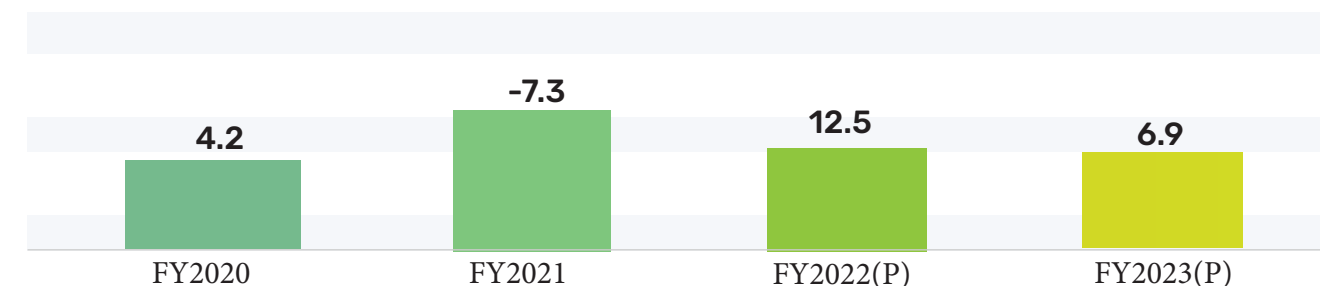
2. Indian economy

The Indian economy was witnessing sluggish growth much before the pandemic hit. Private consumption, investments, industrial output and tax revenues declined, with growth slowing to a six-year low at the end of FY2021. According to the IMF, the Indian economy contracted by 7.3% in FY2021.

Economic activities halted as the Government of India imposed a nationwide lockdown to contain the spread of COVID-19 on March 24, 2020. As a result, the economy shrunk by 24.38% in the first quarter. The lockdown measures were eased from June onwards and economic activities resumed. However, there was significant damage to the economy in the first two months. Expect agriculture, all other sectors degrew due to severe restrictions on mobility. The agriculture sector grew by 3.4% due to good rabi harvest and kharif sowing, and monsoon.

In the second quarter, pent up demand started playing up, which resulted in a marginal recovery of the economy. In Q3, the festive demand pushed the economy into positive territory. A boost to capital spending and private spending fueled recovery in Q4. The Government of India, along with the Reserve Bank of India (RBI), announced a series of measures to provide immediate relief to the vulnerable sections, stabilise the economy, boost liquidity and credit flow. The cumulative stimulus amounted to ₹29.7 lakh crore (equivalent to 15% of GDP), with a focus on boosting domestic manufacturing and strengthening supply chains.

India GDP Growth



P - Projection | Source: IMF, WEO

2.1. Outlook

According to the IMF, the economy is expected to grow by 12.5% in FY2022. The widespread vaccination drive will fuel recovery. The industrial sector is expected to be resilient with mining, manufacturing and construction registering double-digit growth rates. Increase in commodity prices, a revival of domestic demand, and improved goods and services tax (GST) collections indicate sharper-than-expected recovery. Proactive policy measures by regulators and the government are expected to ensure smooth functioning of businesses, domestic markets and financial institutions. However, risks to the forecast remain on the downside, due to renewed fears of localised lockdowns or restrictions on mobility following the second wave of the pandemic.

3. Industry overview

3.1. Global tiles industry

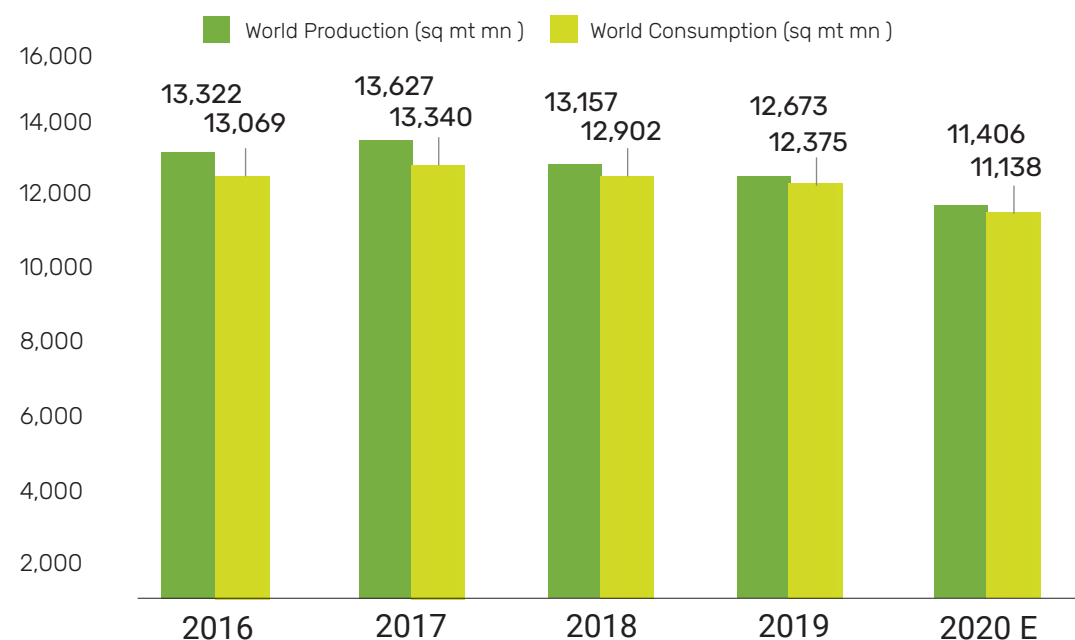
The global ceramic tiles market is projected to grow at US\$ 207.7 billion in 2020. It is expected to reach US\$ 285.1 billion by 2025, growing at a CAGR of 6.5% (Source: businesswire). Population growth, rising disposable income, growth in renovation and remodelling activities, and increasing investments in residential and commercial sectors have fuelled growth for the market.

The residential and construction segment is the key market for ceramic tiles and is expected to be the fastest growing end-use sector for the tiles from 2020 to 2025. In terms of value and volume, the demand for ceramic tiles in the Asia-Pacific region is expected to be the highest during the period from 2020 to 2025. Rising number of new housing units and increasing investments in the infrastructure sector are contributing to the rise in demand.

China has been one of the largest producers of ceramic tiles, contributing significantly to global tile production. However, several countries such as the European Union, India, Brazil, Taiwan, Chile, Vietnam and South Korea have imposed anti-dumping duty on Chinese tiles to protect the domestic tiles industry from cheaper imports. Countries are now looking for other tile importers and India is the preferred choice due to its strong tile-manufacturing capability.

The industry has been severely impacted by the COVID-19 pandemic. The demand is expected to fall sharply by 10-12% in 2020 due to halted construction projects.

World Production & Consumption Trends



3.1.1. Growth drivers of the global tiles industry

- As ceramic tiles are available in a variety of glaze options and sizes, they are the preferred choice among consumers who are looking for attractive, yet cost-effective flooring options.
- Advancements in technology, with methods such as spray drying of clays, pressing and firing of tiles, and specialised equipment for selection, manipulation and quality control allow manufacturers to produce tiles in myriad shapes, sizes and textures.
- Rapid urbanisation, rising industrialisation and inflating per capita income have resulted in a rise in construction activities, in turn escalating the demand for flooring tiles.
- The tiles are now being manufactured in a variety of sizes and colours. They can be customised to suit various aesthetic requirements, thus providing several options to consumers.

3.2. Indian tiles industry

India is one of the fastest growing ceramic tile markets in the world. It is expected to grow at a CAGR of 8.6% over 2020-2027, driven by new constructions in the residential real estate market. The Morbi tile industry (read Section 3.2.1) had reached ₹9,797 crore worth of exports as on January 2021, which is expected to rise up to ₹12,200 crore by the end of FY2021. Gas prices increased sharply between December 2020 and February 2021 due to a rise in crude prices, but have stabilised now.

Domestic tile production is estimated to have contracted by ~12% y-o-y in 2020 due to COVID-induced lockdown, in turn resulting in a decline in consumption. Even prior to the pandemic, the Indian tiles market was reeling under the effects of real estate sector slowdown, demonetisation, adoption of RERA, GST implementation and the non-banking financial company (NBFC) funding crisis. The pandemic further accelerated the slowdown. Production in manufacturing units collapsed as labour started migrating home due to the lockdown. Raw material unavailability impacted supply chains.

However, both production and consumption are likely to improve in the coming years due to economic recovery and favourable business conditions domestically and globally.

Further, the anti-dumping duty imposed by India on Chinese ceramic products has made India a hotspot for tile manufacturing. India is now among the most sought-after countries for exporting tiles globally.

3.2.1. Morbi cluster

Most of the unorganised players in India's tile manufacturing industry are based in the Morbi cluster in Gujarat, making it the largest tile manufacturing cluster in India.

Quick facts about the Morbi cluster

3.2.1. Morbi cluster

- It emerged as a ceramic-producing zone in 1994 and today comprises 610 units with investment of ₹15-150 crore.
- It provides direct employment to people in 3.50 lakh factories and to 10 lakh others in auxiliary and related businesses and professions.
- Morbi caters to 90% of ceramic products in India.

3.2.2. Growth drivers of the Indian tiles industry

- Growing urbanisation, fuelled by population growth, migration and expansion of towns and cities
- Increasing infrastructure spending by the government
- A profitable real estate industry due to the demand from sectors such as healthcare, education and IT
- Demand for replacement of tiles in residential and commercial construction
- Housing for all by FY2022 implemented by the government

(Source: Morbi Ceramics Association)

Initiatives	Objectives
Anti-dumping duty	The Government imposed anti-dumping duty on ceramic tiles imported from China starting June 2017 until June 2021 to stop the cheap quality of the imports from harming the domestic tiles industry
Goods and services tax (GST)	GST on ceramic tiles, sanitaryware and tableware was lowered from 28% to 18%. This will narrow the pricing gap between organised and unorganised players. The revised GST will benefit the tile industry as it brings down value-added tax and excise rates. Also, e-invoicing
	implemented by the government has made trade more organised and decreased the pricing gap between organised and unorganised players.
Schemes for MSMEs	The government has launched various schemes for MSMEs for cluster development, technology upgradation and promotion of exports.

4. About the Company

Exxaro Tiles is a leading name in the ceramic tiles industry, offering the most innovative range of tiles since 2013. It provides stylish and durable vitrified floor tiles and marbonite vitrified tiles through its two broad product categories: double-charge vitrified tiles and glazed vitrified tiles. An enterprise initiated to make a distinct identity in the tiles industry, Exxaro has created a prominent name for itself in the industry with an elegant product range defining beauty and style. The company currently has more than 2,000 registered dealers across 24 states (primarily in North and West India) and also exports its products to over 12 countries. Our enduring relationships with our dealers allows us to expand our presence and also supply our products for large infrastructure-related projects.

Our products meet stringent quality and technical specifications, which differentiates us from our peers. Glazed vitrified tiles is our high gross product and our greatest strength. The gas cost availability in our double charge plant at Padra near Vadodara is low compared to other players in the industry. We are also setting up our own LNG gas station on our land for internal consumption, which will help us reduce external dependency and improve our operating margins.

While financial success is our goal, we are cognisant of our responsibility towards the society. We regularly make contributions to charitable trusts and NGOs, who use our funds for livelihood empowerment, education and health of those less privileged.

5. Performance

5.1. Impact of COVID-19 on the business

In late 2019, COVID-19, commonly known as 'novel coronavirus', was first reported in Wuhan, China. Since then, the virus has progressively spread globally. The World Health Organization (WHO) declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020 and thereafter categorised the outbreak as a pandemic on March 11, 2020.

To contain the spread of the COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, had started to see some relaxation in restrictions.

During the period of the lockdown, there were several restrictions in place, including travel restrictions and directive to all citizens to not move out of their respective houses unless essential. Since the lockdown required private, commercial and industrial establishments to remain closed, our manufacturing units were closed for operations – Unit I from March 24, 2020 to May 31, 2020 and Unit II from March 24, 2020 to May 15, 2020. Further, during the initial stages of the lockdown, our business operations were temporarily disrupted and we faced limited availability of labour, supply chain constraints and logistical problems. We were required to follow protocols as suggested by regulatory authorities, which impacted our ability to operate our manufacturing facilities at optimum utilisations in the months of June and July 2020. We also faced limitation on transportation of our products from our manufacturing facilities amidst the lockdown and public transport restrictions.

The pandemic impacted us in several ways and its lingering impact may be seen on our business, results of operations and financial condition in a number of ways:

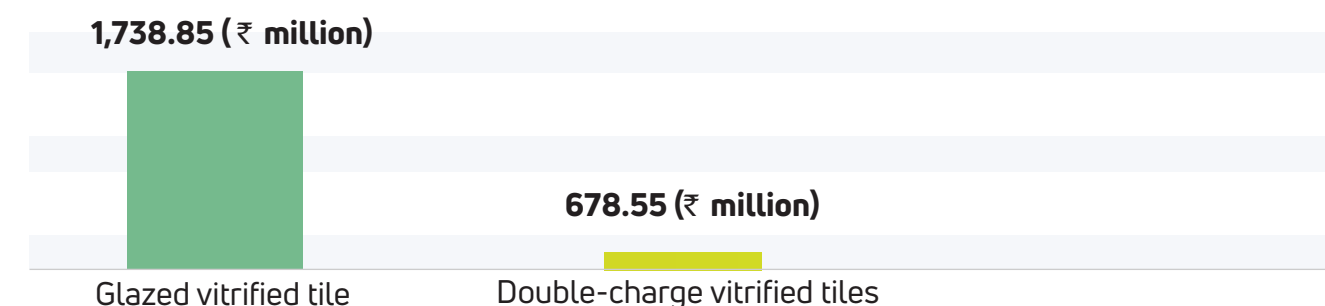
- We witnessed revenue loss in the months of April and May as there was a downturn in the sales of our products. This was primarily because our manufacturing units were closed for operations from March to May 2021.
- There was an adverse impact on the sales of our products due to logistical issues such as raw material unavailability, delivery issues, transportation problems and unavailability of export containers for exporting our products abroad to our customers.
- Our production was hit due to unavailability/scarcity of labour. This was primarily due to the mass migration of labourers back home.
- Our products are typically supplied in the real estate sector and there was a global slowdown in project execution and new launches during April to June 2020.
- Certain employees contracted COVID-19, which affected our operations. We are glad to report that all of them have since recovered.
- Increased risks emanated from process changes being implemented, such as increased reliance on technology and work-from-home measures.

However, we are optimistic and confident of progressing with tenacity against all odds, on the back of our superior product quality, judicious decision making and our ambition to continue creating sustainable value for all our stakeholders.

5.2. Financial performance

During FY2021, our revenue from operations increased to ₹2,551.45 million from ₹2,407.42 million in FY2020. EBITDA increased by 10.20% y-o-y, from ₹429.62 million in FY2020 to ₹473.46 million in FY2021. PAT witnessed a significant increase of 35.21% y-o-y from ₹112.59 million in FY2020 to ₹152.23 million in FY2021. The government's anti-dumping duty on China, our competitive rates and superior quality, and government initiatives to boost real estate contributed to our performance.

5.3. Product-wise performance



5. Performance

Strengths

Unit 2 is one of the biggest single largest plant for manufacturing glazed vitrified tiles under one roof in India situated at Sabarkantha, near Ahmedabad, Gujarat

- Growing domestic market
- Young fashion-conscious population
- Easy availability of labour
- Ready availability of raw material
- Use of global manufacturing technologies
- Increased responsiveness to branding and promotion
- Increased preference for premium aesthetic products

Weaknesses

- Lower experience compared to domestic competitors
- Erratic power supply
- Large unorganised sector
- Availability of high-priced gas

Opportunities

- Greater purchasing power
- Rapid urbanisation
- Growing number of dual-income nuclear families with high aspirations
- Steady growth in infrastructure
- High growth potential in capturing unorganised market shares
- Growth opportunities in Tier II and Tier III cities

Threats

- Growing competition from domestic and established international brands
- Low cost tile import from China
- Volatile fuel costs
- Volatile foreign currency rates

7. People at Exxaro

At Exxaro, we are aware that our employees power the success of our Company and in turn, we are committed to empowering theirs. We believe that people management is probably one of the most important leadership skills, as it directly influences productivity, morale and motivation throughout the organisation. In line with this strategy, we have structured ground-breaking and game-changing innovations for our employees.

In our Company, key talented employees have long tenures with the Company, which shows the confidence in our management and growth potential. We believe in offering the ideal platform for growth for all our employees, making them future-ready to take up new challenges that come their way. In line with this tenet, we enable our employees to grow in a learning environment by investing in our people; by attracting the best talent; and by providing a committed, engaged, fulfilling, rewarding and responsible work environment.

Our people initiatives for FY2021 majorly focused on enhancing productivity and efficiency. To make the organisation strong, progressive and dynamic, we focus on organisational development, employee engagement and talent management and retention.

The long-term culture at Exxaro has been to encourage and develop talent from within. Hence, the human resources team stretches and supports high-performing employees who lead our business strategies.

During the year, we focused on improving productivity, people management skills, engagement and leadership skills of our employees to make them leaders of tomorrow. Our approach towards reward and recognition is quite transparent, meritocratic and market competitive, built on an ethical and values-based performance culture that aligns the interests of our employees, shareholders and customers. At Exxaro, we have implemented a systematic approach to identifying, developing and deploying talented employees to ensure an appropriate supply of high-caliber individuals with the values, skills and experience for current and future senior management positions.

8. Internal controls

The Company's internal audit department keeps a close watch on compliance with business standards. The Company has a separate internal audit department with experienced staff placed under the supervision and control of CFO. Every quarter, significant audit findings, recommended corrective steps and their implementation status are presented to the Board of Directors. Any variance from budget are flagged off to the senior management which advises modification so as to ensure strict adherence to compliances. Most of the Company branches are electronically connected with the Head Office which ensures smooth and effective functioning of the internal control systems. The audit team continuously monitors all internal processes and recommends necessary changes to ensure deviations are brought back to normalcy. Periodic monitoring and effective implementation of recommendations ensure high business compliance with adequate adherence to rules and regulations that govern the Company.

9. Quality culture

At Exxaro Tiles Limited, we are engaged in the creation of quality-intensive innovative products that are a pride for the Company. Quality products help to maintain customer satisfaction and loyalty. We are not merely engaged in a sell-and-forget engagement but we have tried to build our reputation and expertise around offering recognised, standard quality products and innovative solutions for the diverse needs of our customers, be it institutional or retail.

In line with this strategy, we have invested continuously in our quality improvement measures to manufacture products matching international standards resulting in greater acceptance not only in India but also in different international markets across the world. We invested regularly in our R&D activities which resulted in industry leading innovative products that popularised Exxaro brands, provide additional value in the marketplace. Quality products make an important contribution to long-term revenue and profitability. They also enable you to charge and maintain higher prices and win new customers.

The Company's perpetual endeavour is to adhere to strategic practices that enhance its competitive position, bottom line and shareholder value. From time to time, a proactive R&D team has helped the Company to introduce and evolve new concepts.

10. Cautionary statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives and predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement its growth strategy. The Company does not undertake to update these statements.



NOTICE

NOTICE is hereby given that the **Fourteenth** Annual General Meeting of the members of M/s. **EXXARO TILES LIMITED (CIN: U26914GJ2008PLC052518)** will be held on Monday, the 05th July, 2021 at 11.00 A.M. at the Registered Office of the Company situated at Survey No. 169 & 170, Vavdi Harsol Road, At & Post-Mahelav, Taluka-Talod, District-Sabarkantha-383305, Gujarat, India, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mukeshkumar Babubhai Patel (DIN: 01944968) who retires by rotation pursuant to the provisions of the Articles of Association of the Company and being eligible, offers himself for re-appointment.

NOTES:-

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy instead of himself to attend and vote at the meeting. A proxy need not be a member of the Company. The instrument appointing the

proxy must be lodged with the Company at least 48 hours before the time at which the meeting is scheduled to be held.

2. The documents referred to in the notice and explanatory statement are available for inspection to the members at the registered office of the Company between 11.00a.m. to 1.00 p.m. on any working days till the conclusion of Annual general meeting.
3. Members are requested to:
 - a) Notify any change in their address immediately to the Company.
 - b) Bring their copy of annual report to the meeting.
4. Queries on accounts and operations may please be sent to the Company seven days in advance of the Annual General meeting so that the answers may be made available at the meeting.

By order of the Board of Directors,
For, **EXXARO TILES LIMITED**

Date: 01st July 2021
Place: Mahelav

Mukeshkumar B. Patel
Managing Director (DIN: 01944968)

DIRECTOR'S REPORT

To, The Members,
EXXARO TILES LIMITED

Your Directors have pleasure in presenting their 14th Annual Report together with Audited Financial Statement for the year ended March 31, 2021. **FINANCIAL RESULTS**

(` in Millions)

Particulars	FY2021	FY2020
Revenue from Operations	2551.45	2407.42
Profit before Interest, Depreciation and Tax	473.46	429.62
Finance Cost	212.60	197.18
Depreciation and Amortization Expense	136.34	142.97
Profit before Tax	171.61	121.69
Less: Provisions for Tax		
Current Tax	30.72	22.50
Mat Credit Availed (Entitlement)	(11.13)	(18.08)
Deferred tax liabilities/ (asset)	(2.30)	4.58
Prior Period Tax	2.08	0.10
Profit After Tax	152.23	112.59

REVIEW OF OPERATION

Your Directors have pleasure to inform you that as compared to the previous year, the revenue from operations of the Company increased from Rs. 2,407.42 million to Rs. 2551.45 million. During the year under review, the Company has earned Net Profit of Rs. 152.23 million as against the Net Profit of Rs. 112.59 million in the previous year, in spite of slowdown in the economy and adverse market conditions due to the impact of COVID-19 pandemic in major part of the world. Your Directors expect to achieve better financial performance in the coming years.

DIVIDEND

To conserve liquidity for future business operations, your Directors do not recommend any dividend during the year under review.

TRANSFER OF RESERVES

The Company did not transfer any sum to general reserves for the year ended March 31, 2021.

SHARE CAPITAL

During the year under review, there were no changes in Authorized, Issued, Subscribe and Paid up Capital of the Company.

INITIAL PUBLIC OFFERING (IPO)

During the year under review, the Board of Directors of your Company approved taking steps to initiate the process for an Initial Public Offering (IPO) of the Company by way of an offer for sale of upto 22,38,000 Equity shares of the Company by Dixitkumar K. Patel and fresh issue of upto 1,11,86,000 equity shares of the Company For the purpose of repayment of secured debts, funding the working capital requirements and for general corporate purpose. This is subject to relevant regulatory and other approvals, as applicable. Accordingly, your Company has filed Draft Red Herring Prospectus with Securities and Exchange Board of India on March 15, 2021. The Company is presently awaiting required approvals from SEBI and other regulatory authorities.

DEPOSITS

During the year under review, the Company has not accepted any deposits in term of the provisions of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

FINANCE

In the Month April, 2020, State Bank of India, Overseas Branch, Pralhadnagar, Ahmedabad has granted to the company Common COVID-19 Emergency Credit Line (CCECL) amounting to Rs. 3.50 crores under State Bank of India and bank of Baroda Consortium Finance

PARTICULARS OF EMPLOYEES

During the year under review, none of the employees of the company were in receipt of remuneration exceeding the limit prescribed under section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Being an unlisted Company, the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable to the Company.

INDUSTRIAL RELATION

During the year under review, your Company enjoyed cordial relationship with its employees at all levels. Your Directors place on record their appreciation for significant contribution made by the employees through their competence, hardworking, sustained efforts, Co-operation and support.

FRAUD REPORTING

During the year under review, no instances of fraud were reported by the Statutory Auditors in terms of the section 143(12) of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The Company is taking all necessary steps for conservation of energy and technology absorption. During the year under review, the Company has earned Rs. 354.24 Millions towards export of goods and the company has spent foreign exchange of Rs. 17.01 Millions towards import raw material, stores and spares and capital goods etc.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

SAFETY AND ENVIRONMENT AT WORKPLACE

The Company made aware the employees about the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and under that no complaints were reported during the year under review.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The company does not have any subsidiary, Joint venture and Associate.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company has not given any loans and any guarantees, made any investment and provided any security (ies) covered under the provisions of section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The particulars of contracts or arrangement or transactions entered into by the company with the related party during the financial year 2020-21 in terms of provisions of section 188 of the Companies Act, 2013 and rules made there under in Form AOC-2 is given in "Annexure-A" attached to this report. There were no materially significant related party transactions made by the Company with its promoters, directors or their relatives during the year, which may have potential conflict with the interest of the Company at large.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments occurred between the end of financial year and the date of this Report, which affects the financial position of the Company.

RISK MANAGEMENT POLICY

The Company has developed suitable Risk Management Policy to identify the various possible risks associated with the business. The Risk Management Policy is being reviewed from time to time to enhance control mechanism for risk evaluation and mitigation and the risk management process.

VIGIL MECHANISM

The Company has a vigil mechanism for its directors and employees, to deal with instance of fraud/ Mismanagement, if any and to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The details of the policy has been posted on the website of the Company.

FORMAL EVALUATION BY BOARD OF ITS OWN PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually based on the criteria and framework adopted by the Board.

INTERNAL FINANCIAL CONTROL

The Company has adequate Internal Financial Control System.

MAINTENANCE OF COST RECORDS

The Company was not required to maintained cost records under section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.

NUMBER OF BOARD MEETINGS

During the financial year, Seventeen (17) Board Meetings were held

COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

The Company has complied with applicable Secretarial Standard during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Change in Designation:

During the year, Mr. Mukeshkumar B. Patel has been appointed as Managing Director, Mr. Kirankumar B. Patel to Whole Time Director and Mr. Dineshkumar R. Patel to Whole Time Director for a period of 05 years with effect from 06th January 2021 and their appointments have been approved by Members in the Extra Ordinary General Meeting held on 18th January 2021.

Appointment:

During the year, Mr. Dhavalkumar R. Shah has been appointed as Chief Financial Officer of the Company with effect from 29th December 2020.

Mr. Paras Rajeshkumar Shah has been appointed as Company Secretary of the Company with effect from 05th January, 2021.

Mr. Kamal A. Dave, Mr. Daxesh M. Thakkar and Mrs. Nidhi P. Gupta were appointed as Independent Directors of the Company with effect from 05th January 2021 for a period of 05 years and the same has been approved by Members in the Extra Ordinary General Meeting held on 18th January 2021. All Independent Directors of the Company have given declarations



that they meet the requisite criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with relevant rules made there under from time to time.

Cessation:

During the year, Mr. Rameshbhai Patel resigned from the Board of Directors of the Company with effect from 5th November, 2020. Your Directors take this opportunity to express its deep sense of appreciation for valuable services renders and guidance provided to the Company during his tenure as a Director

AUDIT COMMITTEE

In terms of provisions of section 177 of the companies Act, 2013, the company has duly constituted Audit committee. During the year under review, the Audit Committee was re-constituted and composition of the Audit Committee so re-constituted is as under:

Sr. No.	Name of Member	Position	Status
1	Mr. Daxesh Thakkar	Chairman	Independent Director
2	Mr. Kamal Dave	Member	Independent Director
3	Mr. Mukeshkumar Patel	Member	Non-Independent Director

STAKEHOLDER RELATIONSHIP COMMITTEE:

In terms of provisions of section 178 of the companies Act, 2013, the company has duly constituted Stakeholder Relationship committee. During the year under review, the Stakeholder Relationship Committee was re-constituted and composition of the Stakeholder Relationship Committee so re-constituted is as under:

Sr. No.	Name of Member	Position	Status
1	Mr. Daxesh Thakkar	Chairman	Independent Director
2	Mr. Kamal Dave	Member	Independent Director
3	Mr. Kirankumar B. Patel	Member	Non-Independent Director

NOMINATION AND REMUNERATION COMMITTEE:

In terms of provisions of section 178 of the companies Act, 2013, the company has duly constituted Stakeholder Relationship. During the year under review, the Nomination and Remuneration Committee was re-constituted and composition of the Nomination and Remuneration Committee so re-constituted is as under:

S r. No.	Name of Member	Position	Status
1	Mr. Daxesh Thakkar	Chairman	Independent Director
2	Mrs. Nidhi Gupta	Member	Independent Director
3	Mr. Kamal Dave	Member	Independent Director

INITIAL PUBLIC OFFER (IPO) COMMITTEE

During the year under review, the Company intended to raise funds through Initial Public issue of its Equity Shares shortly. In order to comply with the provisions of SEBI Regulations as may be applicable to the Company, it was considered necessary to constitute Initial Public Offer (IPO) Committee. The composition of the IPO Committee is as follows:

Sr. No.	Name of Member	Position	Status
1	Mr. Mukeshkumar Patel	Chairman	Non- Independent Director
2	Mr. Kirankumar Patel	Member	Non- Independent Director
3	Mr. Dineshbhai Patel	Member	Non- Independent Director

CORPORATE SOCIAL RESPONSIBILITY

The Company has framed a CSR policy. The Report on CSR activities pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is set out as “Annexure- B” forming part of this report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provision of Section 92 of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rule, 2014, the extract of annual return in Form MGT-9 is given in “Annexure-C”, which forms part of this report.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Issue of any equity shares under Employees Stock Option Scheme.
- No change in the nature of the business of the Company.

DIRECTOR RESPONSIBILITY STATEMENT

In terms of provisions of section 134 (5) of the companies Act, 2013 your Directors confirm: -

- That in the preparation of the annual accounts for the year ended 31st March, 2021 the applicable Accounting Standards had been followed along with proper explanation relating to material departures.

- That the directors had selected such accounting policies and applied them consistently and made judgments 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 the year ended 31st March, 2021.
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the directors had prepared the annual accounts on a “going concern” basis.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Vasant Patel & Associates, Company Secretaries to conduct the Secretarial Audit of your Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as “Annexure D” to this report. There were no qualifications, reservation or adverse comments or disclaimer made by the Secretarial Auditor of the Company in their audit reports.

STATUTORY AUDITORS

M/s. H. B. Kalaria & Associates, Chartered Accountants, were appointed as statutory auditors of the company in the 13th Annual General meeting (AGM) held on 10th November, 2020 to hold office for a term of five years from the conclusion of the 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting of the Company to be held in the year 2025. The notes to the financial statements referred to in the Auditors’ Report are self-explanatory and therefore do not call for any further explanations. The Auditors’ Report does not contain any qualification, reservation or adverse remark

ACKNOWLEDGEMENT

The Board acknowledges with thanks the support given by suppliers, customers, Bankers, Government Authorities, Shareholders and Employees of the Company at all levels and looks forward to their continued support.

On behalf of the Board of Directors,
For, EXXARO TILES LIMITED

Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

Kirankumar B. Patel
Whole Time Director
(DIN: 01918094)

Date: 01st July 2021
Place: Mahelav



ANNEXURE - "A" to Directors Report

Form - 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)

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 : Nil
2. Details of material contracts or arrangements or transactions at arm's length basis: NIL

On behalf of the Board of Directors,
For, **EXXARO TILES LIMITED**

Date: 01st July 2021
Place: Mahelav

Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

Kirankumar B. Patel
Whole Time Director
(DIN: 01918094)

ANNEXURE - "B" to Directors Report

(Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014)

Sr.	Particulars	
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	In terms of the provisions of Section 135 the Companies Act, 2013, the Company has framed its CSR policy with primary focus in the specified areas as mentioned in the Schedule VII of the Act.
2.	The Composition of the CSR Committee:	NA (As per the Companies (Amendment) Act 2020 Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company)
3.	Average net profit of the Company for last three financial years	Rs. 13,09,79,364/-
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	Rs. 26,19,587/-
5.	Details of CSR spent during the financial year:-	
a)	Total amount to be spent for the financial year	Rs. 26,19,587/-
b)	Amount unspent, if any	Nil
c)	Manner in which the amount spent during the financial year	

Sr. No.	CSR project or activity Identified	Sector in which the Project Is covered	Projects or programs : (1) Local area or Other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative Expenditure up to the reporting period	Amount spent : Direct or through implementing agency
	Vocation training for reaching to unreached rural development community mobilization and livelihood promotion activism.	Promotion of Education	Surendranagar, Gujarat	Rs. 26,19,587/-	Rs. 26,19,587/-	Rs. 26,19,587/-	Rs. 26,19,587/- Direct
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.				No Applicable as the Company has spent all the amounts for CSR Expenditure.		
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company				The implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.		

On behalf of the Board of Directors,
For, **EXXARO TILES LIMITED**

Date: 01st July 2021
Place: Mahelav

Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

Kirankumar B. Patel
Whole Time Director
(DIN: 01918094)



a. Details of the Board Meetings held during the financial year 2020-21.

Sr. No	Date of Board Meeting
1.	16.04.2020
2.	30.07.2020
3.	25.08.2020
4.	09.09.2020
5.	25.09.2020
6.	01.11.2020
7.	10.11.2020
8.	14.11.2020
9.	29.12.2020
10.	05.01.2021
11.	06.01.2021
12.	08.01.2021
13.	01.02.2021
14.	19.02.2021
15.	26.02.2021
16.	05.03.2021
17.	13.03.2021

"Annexure- C to the Directors Report"

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2021
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U26914GJ2008PLC052518
2.	Registration Date	2 nd January, 2008
3.	Name of the Company	EXXARO TILES LIMITED
4.	a) Category of the Company	Company Limited by Shares
	b) Sub-Category of the Company	Indian Non-Government Company
5.	Address of the Registered office of the Company& Contact Details	Survey No. 169 & 170, Vavdi Harsol Road, At & Post- Mahelav, Taluka- Talod, Dist-Sabarkantha-383305, Gujarat, India. Email: cs@exxarotiles.com
6.	Whether listed company	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Address: C-101, 01 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400 083 Maharashtra, India

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of refractory ceramic product (Vitrified Tiles)	23913	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE						

IV- (A). SHARE HOLDING PATTERN (Equity Share Capital Breakup as% of Total Equity):

(i) Category-wise Share Holding:- Equity Shares

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS& PROMOTERS GROUP										
(1)Indian										
a	Individual/HUF	Nil	1,88,21,131	1,88,21,131	56.09	Nil	1,88,21,131	1,88,21,131	56.09	Nil
b	Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
d	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Banks/ FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f	Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-		Nil	1,88,21,131	1,88,21,131	56.09	Nil	1,88,21,131	1,88,21,131	56.09	Nil
(2) Foreign										
a	NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoters & Promoters Group (A) = (A)(1)+(A)(2)		Nil	1,88,21,131	1,88,21,131	56.09	Nil	1,88,21,131	1,88,21,131	56.09	Nil
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a	Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g	FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h	Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i	Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1) :		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.Non-Institutions										
a) Bodies Corporate										
a	Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals										
a	Individual shareholders holding nominal share capital upto Rs.1 lakh	Nil	1918	1918	0.01	Nil	1918	1918	0.01	Nil
b	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	Nil	1,47,32,021	1,47,32,021	43.90	Nil	1,47,32,021	1,47,32,021	43.90	Nil
c	Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2) :-		Nil	1,47,33,939	1,47,33,939	43.91	Nil	1,47,33,939	1,47,33,939	43.91	Nil
Total Public Shareholding (B) = (B)(1)+(B)(2)		Nil	1,47,33,939	1,47,33,939	43.91	Nil	1,47,33,939	1,47,33,939	43.91	Nil
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS: Nil										
Grand Total (A+B+C)		Nil	3,35,55,070	3,35,55,070	100.00	Nil	3,35,55,070	3,35,55,070	100.00	Nil

(ii) Shareholding of Promoters (including Promoter Group):- Equity Shares

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged/ encumbered to total shares	
1.	Mukeshkumar Babubhai Patel	3135988	9.35	Nil	3135988	9.35	Nil	Nil
2.	Kirankumar Bhikhalal Patel	4702064	14.01	Nil	4702064	14.01	Nil	Nil
3.	Dineshkumar Ramanbhai Patel	7553307	22.51	Nil	7553307	22.51	Nil	Nil
4.	Rameshbhai Shivabhai Patel	3127646	9.32	Nil	3127646	9.32	Nil	Nil
5.	Dineshbhai Revabhai Patel	8241	0.02	Nil	8241	0.02	Nil	Nil
6.	Kailashben Sureshbhai Patel	293785	0.88	Nil	293785	0.88	Nil	Nil
7.	Rakeshbhai Shivabhai Patel	100	0.00	Nil	100	0.00	Nil	Nil
Total		1,88,21,131	56.09	Nil	1,88,21,131	56.09	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change):- Equity Shares

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Date wise Increase/(Decrease) in Shareholding			Cumulative Shareholding during the year		Shareholding at the end ofthe year	
		No. of shares	% of total shares	Date	Increase/ Decrease in Share holding	Reason	No. of shares	% of total shares	No. of Shares	% of total shares
	No Changes									

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):- Equity Shares

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Increase/(Decrease) in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares	Date	Increase/ Decrease in Share holding	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1	Dixitkumar K. Patel	45,78,916	13.65	-	-	-	45,78,916	13.65	45,78,916	13.65
2	Hitendrabhai Patel	17,63,007	5.26	-	-	-	17,63,746	5.26	17,63,746	5.26
3	Hiraben Patel	14,98,046	4.46	-	-	-	14,98,046	4.46	14,98,046	4.46
4	Hasmukhbhai M. Patel	14,48,273	4.32	-	-	-	14,48,273	4.32	14,48,273	4.32
5	Narsinhbhai Patel	11,86,472	3.54	-	-	-	11,86,472	3.54	11,86,472	3.54
6	Jigneshbhai Patel	11,73,746	3.50	-	-	-	11,73,746	3.50	11,73,746	3.50
7	Sureshbhai Patel	6,47,012	1.93	-	-	-	6,47,012	1.93	6,47,012	1.93
8	Hasmukhbhai P Patel	5,74,183	1.71	-	-	-	5,74,183	1.71	5,74,183	1.71
9	Sangitaben Patel	5,40,198	1.61	-	-	-	5,40,198	1.61	5,40,198	1.61
10	Taraben H. Patel	4,75,613	1.42	-	-	-	4,75,613	1.42	4,75,613	1.42
Total		1,38,85,466	41.38		-	-	1,38,85,466	41.38	1,38,85,466	41.38



(v) Shareholding of Directors and Key Managerial Personnel:- Equity Shares

Sr. No.	Name of Director and Key Managerial personnel	Shareholding at the beginning of the year		Increase/(Decrease) in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares	Date	Increase/Decrease in Shareholding	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1.	Mukeshbhai B. Patel	31,35,988	9.35	-	-	-	31,35,988	9.35	31,35,988	9.35
2.	Kirankumar B. Patel	47,02,064	14.01	-	-	-	47,02,064	14.01	47,02,064	14.01
3.	Dineshkumar R. Patel	75,53,307	22.51	-	-	-	75,53,307	22.51	75,53,307	22.51
4.	Rameshbhai S. Patel*	31,27,646	9.32	-	-	-	31,27,646	9.32	31,27,646	9.32
5.	Kamal Dave**	-	-	-	-	-	-	-	-	-
6.	Daxesh Thakkar**	-	-	-	-	-	-	-	-	-
7.	Nidhi Gupta**	-	-	-	-	-	-	-	-	-
8.	Dhavalkumar R. Shah#	-	-	-	-	-	-	-	-	-
9.	Paras R. Shah##	-	-	-	-	-	-	-	-	-
Total		1,85,19,005	55.18	-	-	-	1,85,19,005	55.18	1,85,19,005	55.18

* Resigned from the post of Director w.e.f. 05.11.2020.

**Appointed as Independnet Director w.e.f. 05.01.2021

Appointed as Chief Financial Officer w.e.f 29.12.2020

Appointed as Company Secreay w.e.f 05.01.2021

IV- (B). SHARE HOLDING PATTERN (0% Non-cumulative, Non-Convertible Redeemable Preference Shares):

(i) Category-wise Share Holding:- Preference Shares

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS										
(1)Indian										
a	Individual/HUF	Nil	15,76,107	15,76,107	56.04	Nil	15,76,107	15,76,107	56.04	Nil
b	Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Banks/ FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f	Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-		Nil	15,76,107	15,76,107	56.04	Nil	15,76,107	15,76,107	56.04	Nil

(2)Foreign									
a	NRIs - Individuals		Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Other-Individuals		Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Bodies Corporate		Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	Banks/FI		Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Any Other....		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-			Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoters (A) = (A)(1)+(A)(2)			15,76,107	56.04	Nil	15,76,107	15,76,107	56.04	Nil
B.PUBLIC SHAREHOLDING									

(1) Institutions									
a	Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g	FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h	Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i	Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1) :		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2.Non-Institutions

a) Bodies Corporate

a	Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

b) Individuals

a	Individualshareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	Nil	12,36,422	12,36,422	43.97	Nil	12,36,422	12,36,422	43.97
c) Others (specify)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2) :-		Nil	12,36,422	12,36,422	43.97	Nil	12,36,422	12,36,422	43.97
Total Public Shareholding (B) = (B)(1)+(B)(2)		Nil	12,36,422	12,36,422	43.97	Nil	12,36,422	12,36,422	43.97

C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS: Nil

Grand Total (A+B+C)	Nil	28,12,529	28,12,529	100	Nil	28,12,529	28,12,529	100	Nil
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(ii) Shareholding of Promoters (including Promoter Group):- Preference Shares

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged/ encumbered to total shares	
1	Mukeshkumar Babubhai Patel	1,70,516	6.06	Nil	1,70,516	6.06	Nil	Nil
2	Kirankumar Bhikhalal Patel	1,53,465	5.46	Nil	1,53,465	5.46	Nil	Nil
3	Dineshkumar Ramanbhai Patel	99,339	3.53	Nil	99,339	3.53	Nil	Nil
4	Rameshbhai Shivabhai Patel	1,70,517	6.06	Nil	1,70,517	6.06	Nil	Nil
5	Bhikhabhai Ranchodbhai Patel	36,484	1.30	Nil	36,484	1.30	Nil	Nil
6	Babubhai Punjabhai Patel	76,669	2.73	Nil	76,669	2.73	Nil	Nil
7	Chetanaben Mukeshbhai Patel	37,137	1.32	Nil	37,137	1.32	Nil	Nil
8	Dharmendrabhai Dineshbhai Patel	95,915	3.41	Nil	95,915	3.41	Nil	Nil
9	Dimpalben Dineshbhai Patel	30,412	1.08	Nil	30,412	1.08	Nil	Nil



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged/ encumbered to total shares	
10	Hasmukhbhai Bhikhabhai Patel	50,559	1.80	Nil	50,559	1.80	Nil	Nil
11	Jashiben Hasumukhbhai Patel	1,04,764	3.72	Nil	1,04,764	3.72	Nil	Nil
12	Jayantibhai Bhikhabhai Patel	34,783	1.24	Nil	34,783	1.24	Nil	Nil
13	Jigarbhai Bhikhabhai Patel	41,342	1.47	Nil	41,342	1.47	Nil	Nil
14	Kailashben Sureshbhai Patel	51,155	1.82	Nil	51,155	1.82	Nil	Nil
15	Ramanbhai Virabhai Patel	30,198	1.07	Nil	30,198	1.07	Nil	Nil
16	Reviben Ramanbhai Patel	95,915	3.41	Nil	95,915	3.41	Nil	Nil
17	Rinkuben Kiranbhai Patel	85,568	3.04	Nil	85,568	3.04	Nil	Nil
18	Savitaben Bhikhabhai Patel	38,295	1.36	Nil	38,295	1.36	Nil	Nil
19	Shivabhai Ramabhai Patel	77,999	2.77	Nil	77,999	2.77	Nil	Nil
20	Shushilaben Rameshbhai Patel	95,075	3.38	Nil	95,075	3.38	Nil	Nil
Total		15,76,107	56.04	Nil	15,76,107	56.04	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change):- Preference Shares

Sr. No.	Name of Share holders	Shareholding at the beginning of the year		Date wise Increase/(Decrease) in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year		
		No. of shares	% of total shares	Date	Increase/ Decreasein Shareholding	Reason	No. of shares	% of total shares	No. of Shares	% of total shares	
		----- No Change -----									

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):- Preference Shares

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Increase/(Decrease) in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares	Date	Increase/ Decrease in Share holding	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1.	Dixitkumar Kacharabhai Patel	2,46,570	8.77	-	-	-	2,46,570	8.77	2,46,570	8.77
2.	Hiraben Kacharabhai Patel	1,10,485	3.93	-	-	-	1,10,485	3.93	1,10,485	3.93
3.	Jigneshbhai Hasumukhbhai Patel	1,02,925	3.66	-	-	-	1,02,925	3.66	1,02,925	3.66
4.	Jignaben Dharmendrabhai Patel	95,915	3.41	-	-	-	95,915	3.41	95,915	3.41
5.	Bhartiben Kiranbhai Patel	85,258	3.03	-	-	-	85,258	3.03	85,258	3.03
6.	Rasmikaben Vasantbhai Patel	76,402	2.72	-	-	-	76,402	2.72	76,402	2.72
7.	Mayaben Jigneshbhai Patel	71,306	2.54	-	-	-	71,306	2.54	71,306	2.54
8.	Hitendrabhai Kacharabhai Patel	70,972	2.52	-	-	-	70,972	2.52	70,972	2.52
9.	Sangitaben Jayantibhai Patel	69,011	2.45	-	-	-	69,011	2.45	69,011	2.45
10.	Narsinbhai Pasabhai Patel	67,653	2.41	-	-	-	67,653	2.41	67,653	2.41
Total		9,96,497	35.43	-	-	-	9,96,497	35.43	9,96,497	35.43

(v) Shareholding of Directors and Key Managerial Personnel:- Preference Shares

Sr. No.	Name of Director and Key Managerial personnel	Shareholding at the beginning of the year		Increase/(Decrease) in Shareholding			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares	Date	Increase/ Decrease in Shareholding	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1.	Mukeshbhai B. Patel	1,70,516	6.06	N.A.	Nil	N.A.	1,70,516	6.06	1,70,516	6.06
2.	Kirankumar B. Patel	1,53,465	5.46	N.A.	Nil	N.A.	1,53,465	5.46	1,53,465	5.46
3.	Dineshkumar R. Patel	99,339	3.53	N.A.	Nil	N.A.	99,339	3.53	99,339	3.53
4.	Rameshbhai S. Patel*	1,70,517	6.06	N.A.	Nil	N.A.	1,70,517	6.06	1,70,517	6.06
5.	Kamal Dave**	-	-	-	-	-	-	-	-	-
6.	Daxesh Thakkar**	-	-	-	-	-	-	-	-	-
7.	Nidhi Gupta**	-	-	-	-	-	-	-	-	-
8.	Dhaval Kumar R. Shah#	-	-	-	-	-	-	-	-	-
9.	Paras R. Shah##	-	-	-	-	-	-	-	-	-
Total		5,93,837	21.11	N.A.	Nil	N.A.	5,93,837	21.11	5,93,837	21.11

* Resigned from the post of Director w.e.f. 05.11.2020

**Appointed as Independent Director w.e.f. 05.01.2021

Appointed as Chief Financial Officer w.e.f. 29.12.2020

Appointed as Company Secretary w.e.f. 05.01.2021

V. INDEBTEDNESS: (Indebtedness of the Company including interest outstanding/accrued but not due for payment):-

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured		Deposits	Total Indebtedness
		Loans			
Indebtedness at the beginning of the financial year					
A	Principal Amount	1,53,09,81,842	16,25,61,638	0	1,69,35,43,480
B	Interest due but not paid	1,00,41,626	1,01,12,236	0	2,01,53,862
C	Interest accrued but not due	0	0	0	0
Total (a+b+c)		1,54,10,23,468	17,26,73,874	0	1,71,36,97,342
Change in Indebtedness during the financial year					
A	Addition	2,16,10,17,101	3,92,00,958	0	2,20,02,18,059
B	Reduction	2,25,70,95,928	6,75,91,818	0	2,32,46,87,746
Net Change		(9,60,78,828)	(2,83,90,860)	0	12,44,69,688
Indebtedness at the end of the financial year					
A	Principal Amount	1,43,49,03,015	13,41,70,778	0	1,56,90,73,793
B	Interest due but not paid	0	61,77,779	0	61,77,779
C	Interest accrued but not due	0	0	0	0
Total (a+b+c)		1,43,49,03,015	14,03,48,557	0	1,57,52,51,572

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mukeshkumar B. Patel	Kirankumar B. Patel	Rameshbhai S. Patel*	Dineshbhai R. Patel	
1.	Independent Directors :					
	• Fee for attending Board / committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2.	Other Non-Executive Directors					
	• Fee for attending Board / committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others-Remuneration	6,00,000	6,00,000	6,00,000	6,00,000	24,00,000
	Total (2)	6,00,000	6,00,000	6,00,000	6,00,000	24,00,000
	Total (B)=(1+2)	6,00,000	6,00,000	6,00,000	6,00,000	24,00,000
	Total Managerial Remuneration	6,00,000	6,00,000	6,00,000	6,00,000	24,00,000
	Ceiling as per the Act: N. A.					

*Resigned from the post of Director w.e.f. 05.11.2020

B. Remuneration to Directors (Other than MD/MTD) and/or Manager): Nil

C. Remuneration to key managerial personnel other than MD/Manager/MTD:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary *	CFO**	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,20,600	5,10,000	6,30,600
	b) Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	-	-	-	-
	c) Profit in lieu of salary u/s. 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Option	-	-	-	-
4.	Commission:	-	-	-	-
	• As % of profit				
	• Others, Specify				
5.	Others, Please specify	-	-	-	-
	Total	-	1,20,600	5,10,000	6,30,600

* Appointed as Company Secretary w.e.f. 05.01.2021

**Appointed as Chief Financial Officer w.e.f. 29.12.2020

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:-

Sr. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. Company: ----- Nil -----						
B. Directors: ----- Nil -----						
C. Other Office in Default: ----- Nil -----						

On behalf of the Board of Directors,
For, EXXARO TILES LIMITED

Date: 01st July 2021

Place: Mahelav

Mukeshkumar B. Patel

Managing Director

(DIN: 01944968)

Kirankumar B. Patel

Whole Time Director

(DIN: 01918094)

Annexure- "D" to Directors Report

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 No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
EXXARO TILES LIMITED
(CIN: U26914GJ2008PLC052518)
Survey No. 169 & 170, Vavdi Harsol Road,
At & Po.: Mahelav, Taluka: Talod,
Sabarkantha, Gujarat- 383305, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices made by **M/s. EXXARO TILES LIMITED** ("the Company") (Converted into Public Limited Company from 28th December, 2020). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

- The Companies Act, 2013 ('the Act') and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable**);
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not applicable**);
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable**);
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable**);
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable**);
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable**);
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not Applicable**);
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable**);
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable**);
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable**);
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Not applicable**);

We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for Compliances under other applicable Acts, Laws, and Regulations to the Company.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and other laws which do not come under the purview of Secretarial Audit, since the same have been subject to review by Statutory Auditor/Other designated professionals.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India amended from time to time.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 made effective from 1st December, 2015 (**Not applicable to the Company as the Company is an Unlisted Company**);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:-

- Few Forms were filed by the Company with Ministry of Corporate Affairs (MCA) beyond the prescribed time limit under the Companies Act, 2013 with additional fees and under the Companies Fresh Start Scheme (CFSS), 2020;
- The Company has appointed the Company Secretary from 5th January, 2021. There is violation of section 203 of the Companies Act, 2013 from 1st April 2020 to 4th January, 2021.
- The Company yet to file e-form MGT-14 with the Registrar of Companies, Gujarat in respect of registration of Board resolution dated 6th January, 2021 for appointment of Mr. Dineshkumar R. Patel as whole-time Director as per Section 179(3) of the Companies Act, 2013.

We 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 changes in the composition of the Board of Directors/Committees that took place during the period under review were carried out 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 seven days in advance, except for some meetings of the Board of Directors, where consent for shorter notice was obtained from all of the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

Majority decision of the Board of Directors is carried through and are captured and recorded in the minutes of the meetings of the Board of Directors/Committees of the Board, as the case may be.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period, the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:-

- The Company has increased its authorised capital from Rs. 41,00,00,000/- (Rupees Forty One Crore Only) divided into 3,50,00,000 equity shares of Rs. 10/- each and 60,00,000 preference shares of Rs. 10/- each to Rs. 56,00,00,000/- (Rupees Fifty Six Crores Only) divided into 5,00,00,000 equity shares of Rs. 10/- each and 60,00,000 preference shares of Rs. 10/- each and the approval has been obtained from the members by way of a special resolution passed at the Annual General Meeting of the Company held on 10th November, 2020.
- The Company has been converted from Private Limited to Public Limited Company vide the Fresh Certificate of Incorporation consequent upon conversion issued by the Ministry of Corporate Affairs on 28th December, 2020 and the approval has been obtained from the members by way of Special Resolution at the Extra-Ordinary Meeting held on 9th December, 2020.
- The Company has adopted a new set of Articles of Association and made amendments in its existing Memorandum of Association so as to incorporate the changes made in the name of the company, increase in authorised capital of the Company and related matters, consequent upon conversion of the Company into public Limited Company. The necessary approvals for the same have been obtained from the members by way of Special Resolution at the Extra-Ordinary Meeting held on 9th December, 2020.
- At Extra-ordinary General Meeting held on 18th January, 2021, approval of members has been obtained by way of special resolution for issue and allotment of equity shares through an Initial Public Offer comprising of a fresh issue of upto 1,11,86,000 Equity shares and offer for sale of upto 22,38,000 Equity shares.
- The Company has filed the Draft Red Herring Prospectus with Securities Exchange Board of India (SEBI) on 15th March, 2021.

For, **VASANT PATEL & ASSOCIATES,**
Company Secretaries

UDIN: F008530C000566362
Date: 01/07/2021
Place: Ahmedabad

(Vasant B. Patel)
Proprietor
M. No. 8530
C.P. No. 3848

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

'ANNEXURE-A'

To,
The Members,
EXXARO TILES LIMITED
(CIN: U26914GJ2008PLC052518)
Regd. Office: Survey No. 169 & 170, Vavdi Harsol Road,
At & Po.: Mahelav, Taluka: Talod,
Sabarkantha, Gujarat- 383305, India
Dear Members,

Our Secretarial Audit Report for the financial year 2020-21 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We 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 basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, personal records of employee(s) and books of Accounts of the Company as these do not fall under specific applicable laws.
4. Wherever required, we have obtained the 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, **VASANT PATEL & ASSOCIATES,**
Company Secretaries

UDIN: F008530C000566362
Date: 01/07/2021
Place: Ahmedabad

(Vasant B. Patel)
Proprietor
M. No. 8530
C.P. No. 3848

INDEPENDENT AUDITOR'S REPORT

To the Members of **Exxaro Tiles Limited**
(Formerly known as "Exxaro Tiles Private Limited" and "RICASIL Ceramic Industries Pvt. Ltd.")
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Exxaro Tiles Limited ("the Company")** (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows, and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to note 42 of the statement, which states the management's estimation of impact of COVID-19 on the financial result of the company for the quarter and year ended on 31st March, 2021.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of 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, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The financial statements of the Company for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on November 01, 2020.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g. The Company has paid managerial remuneration in accordance with the provisions of Sec. 197 of the Companies Act, 2013 as amended from time to time during the reporting period.
- 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 35 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Rajkot
Date: 18/06/2021

For, **HB Kalaria and Associates**
Firm Reg. No. 104571W
Chartered Accountants

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN:



Annexure A

Referred to in the section Report on Other Legal and Regulatory Requirements on of the Independent Auditors' Report of even date to the members of Exxaro Tiles Limited (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) on the financial statements as of and for the year ended March 31, 2021

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on physical verification of fixed assets.
- c) The title deeds of immovable properties, as disclosed in the notes on fixed assets to the financial statements, are held in the name of the Company.
 - i. The physical verification of inventory has been conducted as reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material. We have relied mostly on the management representations in this matter.
 - ii. The Company has not granted any loans to any parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
 - iii. The Company has not granted any loans or made any investments or provided any guarantee or security to the parties covered under Sections 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
 - iv. In our opinion and according to the explanation and information given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
 - v. Pursuant to the Rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of the business activity carried out by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.
 - vi.
- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income-tax, profession tax, sales tax, VAT, GST and service tax, and including provident fund, employees' state insurance, duty of customs, duty of excise, cess and any other material statutory dues, as applicable, with the appropriate authorities apart from a few cases of delay in payment of income-tax, GST, duty of customs and provident fund. There are no undisputed statutory dues outstanding as at 31st March, 2021, for the period of more than six months from the date they become payable.

Name of Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Due date of payment	Date of payment	Remarks, if any
Not Applicable						

- b) According to the information and explanations given to us and the records of the Company examined by us, there are dues which have been disputed and not paid as outlined blow:

Name of Statute	Nature of Dues	Disputed Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	40,64,520	A.Y. 2013-14	The Commissioner of Income-tax (Appeals), Ahmedabad- 2
The Income Tax Act, 1961	Income Tax	2,63,78,290	A.Y. 2015-16	The Commissioner of Income-tax (Appeals), Ahmedabad- 2
The Income Tax Act, 1961	Income Tax	8,73,105	A.Y. 2016-17	The Commissioner of Income-tax (Appeals), Ahmedabad- 2
The Income Tax Act, 1961	Income Tax	1,00,371	A.Y. 2017-18	The Commissioner of Income-tax (Appeals), Ahmedabad- 2
The Gujarat Value Added Tax Act, 2003	Value Added Tax	12,58,207	F.Y. 2010-11	Dy. Commissioner of Commercial Tax Appeal, Commercial Tax Office Baroda

The Gujarat Value Added Tax Act, 2003	Value Added Tax	1,10,88,801	F.Y. 2011-12	Dy. Commissioner of Commercial Tax Appeal, Commercial Tax Office Baroda
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- vii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date. The Company has sought to take the benefit of COVID-19 regulatory package announced by the Reserve Bank of India vide its notification dated 27th March 2020 and is consequently has received moratorium on its loan obligations and such obligations are being repaid as per the revised repayment schedules.
- viii. The Company has raised moneys by way of term loans. Prima facie, and as per the representations of the management of the Company in this regard, we are of the opinion that the moneys raised have been utilized for their stated purpose during the year.
- ix. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- x. The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xi. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xii. In our opinion and according to information and explanations given to us, 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 financial statements as required by the applicable accounting standards.
- xiii. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xiv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xv. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place: Rajkot
Date: 18/06/2021

For, **HB Kalaria and Associates**
Firm Reg. No. 104571W
Chartered Accountants

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN:

Annexure B

Referred to in point f. of the section Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Exxaro Tiles Limited (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) on the financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over the financial reporting of **Exxaro Tiles Limited** ("the Company") (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the 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 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 assessed risk. The procedures selected depend on the auditors' 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect of 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 control 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, except above, 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 March 31, 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 issued by ICAI.

Place: Rajkot
Date: 18/06/2021

For, **HB Kalaria and Associates**
Firm Reg. No. 104571W
Chartered Accountants

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN:

BALANCE SHEET AS AT 31ST MARCH, 2021

(Formerly known as "Exxaro Tiles Private Limited" and "RICASIL Ceramic Industries Pvt. Ltd.")

		(Rs. In millions)			
	Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
I.	ASSETS				
	Non-Current Assets				
	(a) Plant, Property and Equipments	3	1,594.12	1,718.88	1,846.99
	(b) Intangible Assets	3	-	-	0.50
	(c) Financial Assets				
	(i) Non-Current Investments	4	13.68	13.68	-
	(ii) Other Non-Current Financial Assets	5	12.37	13.29	13.76
	Total Non-Current Assets		1,620.17	1,745.85	1,861.25
	Current Assets				
	(a) Inventories	6	1,043.36	1,054.51	794.76
	(b) Financial Assets				
	(i) Trade Receivable	7	900.82	963.57	833.62
	(ii) Cash and Cash Equivalents	8	21.80	5.28	14.95
	(iii) Bank Balances Other Than (ii) Above	9	31.32	30.12	29.98
	(iv) Loans	10	0.51	0.51	0.43
	(v) Other Financial Assets	11	1.54	0.20	-
	(c) Other Current Assets	12	73.62	70.50	47.57
	Total Current Assets		2,072.97	2,124.69	1,721.30
	TOTAL ASSETS		3,693.14	3,870.55	3,582.55
II.	EQUITY AND LIABILITIES				
	Equity				
	a) Equity Share Capital	13	335.55	335.55	335.55
	b) Other Equity	14	1,024.83	871.84	759.03
	Total Equity		1,360.38	1,207.39	1,094.58
	Liabilities				
	Non-Current Liabilities				
	a) Financial Liabilities				
	(i) Borrowings	15	699.16	863.82	880.46
	(ii) Other Financial Liabilities	16	4.21	6.96	20.05
	b) Deferred Tax Liabilities (Net)	17	29.97	43.14	56.56
	c) Long Term Provisions	18	10.50	8.96	6.92
	Total non Current Liabilities		743.83	922.88	963.99
	Current Liabilities				
	a) Financial Liabilities				
	(i) Borrowings	19	734.75	757.16	554.17
	(ii) Trade Payables	20	508.73	697.20	575.88
	(iii) Other Financial Liabilities	21	228.14	196.78	257.31
	b) Other Current Liabilities	22	54.76	60.45	90.72
	c) Short Term Provisions	23	32.91	2.50	22.22
	d) Current Tax Liabilities (Net)	24	29.65	26.19	23.69
	Total Current Liabilities		1,588.93	1,740.28	1,523.98
	Total Liabilities		2,332.76	2,663.16	2,487.97
	TOTAL EQUITY AND LIABILITIES		3,693.14	3,870.55	3,582.55

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

For **H B Kalaria & Associates**
Chartered Accountants
FRN : 104571W

Hasmukh B Kalaria
Partner
Membership No.: 042002

Rajkot, June 18, 2021

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), June 18, 2021

Kiran Patel
Wholtime Director
DIN: 01918094

Paras Shah
Company Secretary
PAN: GNPPS9855F

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

(Formerly known as "Exxaro Tiles Private Limited" and "RICASIL Ceramic Industries Pvt. Ltd.")

(Rs. In millions)				
	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	Revenue from Operations	25	2,551.45	2,407.42
II.	Other Income	26	47.08	32.22
III.	Total Revenue (I + II)		2,598.53	2,439.64
IV.	Expenses:			
	Cost of Materials Consumed	27	779.96	949.45
	Purchases of Stock-in-Trade	28	76.81	70.05
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(12.68)	(306.46)
	Employee Benefits Expense	30	192.55	265.24
	Finance Costs	31	212.60	197.18
	Depreciation and Amortization Expense	3	136.34	142.97
	Other Expenses	32	1,041.36	999.53
	Total Expenses		2,426.93	2,317.96
V.	Profit before exceptional items and tax (III-IV)		171.61	121.69
VI.	Exceptional income/(expenses)-Net		-	-
VII.	Profit before tax (V + VI)		171.61	121.69
VIII.	Tax expense:	33		
	(1) Current tax		30.72	22.50
	(2) MAT credit availed / (entitlement)		(11.13)	(18.08)
	(3) Deferred tax liability/(assets)		(2.30)	4.58
	(4) Prior Period Tax		2.08	0.10
IX.	Profit for the year from continuing operations (VII-VIII)		152.23	112.59
X.	Other Comprehensive Income/(Expense) (OCI) net of tax expense			
	(1) Items that will not be reclassified to Profit and Loss Account		1.03	0.29
	Less: Income Tax impact on above		0.27	0.08
	(2) Items that will be reclassified to Profit and Loss Account		-	-
	Less: Income Tax impact on above			
XI.	Total Other Comprehensive Income/(Expenses) (OCI) net of tax expense		0.76	0.22
XII.	Total Comprehensive Income (IX + XI)		152.99	112.80
XIII.	Earnings per equity share of Rs. 10 each	34		
	(1) Basic		4.54	3.36
	(2) Diluted		4.54	3.36

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

For and on behalf of the Board of Directors,

For H B Kalaria & Associates
Chartered Accountants
FRN : 104571W

Mukesh Patel
Managing Director
DIN: 01944968

Kiran Patel
Wholetime Director
DIN: 01918094

Hasmukh B Kalaria
Partner
Membership No.: 042002

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Paras Shah
Company Secretary
PAN: GNPPS9855F

Rajkot, June 18, 2021

Talod (Sabarkantha), June 17, 2021

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(Formerly known as "Exxaro Tiles Private Limited" and "RICASIL Ceramic Industries Pvt. Ltd.")

(Rs. In millions)	
A	Equity Share Capital
	Amount
	Balance as at 1st April 2019
	335.55
	Change in Equity Share Capital during the year
	-
	Balance as at 31st March 2020
	335.55
	Change in Equity Share Capital during the year
	-
	Balance as at 31st March 2021
	335.55

B Other Equity					
Particulars	Reserves and Surplus				Total
	Securities Premium	Retained Earnings	Other Comprehensive Income	Equity Component of Financial Instruments	
Balance as at 1st April 2019	342.74	555.50	0.56	78.52	977.32
Adjustment due to first time adoption of Ind AS	-	(218.29)	-	-	(218.29)
Profit for the year	-	112.59	-	-	112.59
Other Comprehensive Income	-	-	0.22	-	0.22
Total Comprehensive Income for the year	342.74	449.80	0.78	78.52	871.84
Balance as at 31st March 2020	342.74	449.80	0.78	78.52	871.84

Particulars	Reserves and Surplus				Total
	Securities Premium	Retained Earnings	Other Comprehensive Income	Equity Component of Financial Instruments	
Balance as at 1st April 2020	342.74	449.80	0.78	78.52	871.84
Profit for the year	-	152.23	-	-	152.23
Other Comprehensive Income	-	-	0.76	-	0.76
Total Comprehensive Income for the year	342.74	602.04	1.54	78.52	1,024.83
Balance as at 31st March 2021	342.74	602.04	1.54	78.52	1,024.83

As per our Report of even date

For and on behalf of the Board of Directors,

For H B Kalaria & Associates
Chartered Accountants
FRN : 104571W

Mukesh Patel
Managing Director
DIN: 01944968

Kiran Patel
Wholetime Director
DIN: 01918094

Hasmukh B Kalaria
Partner
Membership No.: 042002

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Paras Shah
Company Secretary
PAN: GNPPS9855F

Rajkot, June 18, 2021

Talod (Sabarkantha), June 18, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Formerly known as "Exxaro Tiles Private Limited" and "RICASIL Ceramic Industries Pvt. Ltd.")

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow from Operating Activity		
Net Profit Before Tax	171.61	121.69
Adjustments For:		
Depreciation	136.34	142.97
Interest & Financial Expenses	212.60	197.18
(Profit)/Loss on sale of Fixed Asset	0.59	-
Bad Debts written off	1.32	-
Interest Received on Deposits	(3.43)	(3.09)
Provision for Debtors	5.59	4.24
Operating profit before Working Capital Changes	524.61	463.00
Adjustment For:		
Inventories	11.15	(259.75)
Trade Receivables	55.84	(134.19)
Other Non-Current Financial Assets	0.92	0.47
Financial Assets- Loans	(0.00)	(0.08)
Short-term loans and advances	(0.15)	(23.13)
Trade Payables	(188.47)	121.32
Short-term Provisions	30.41	(19.72)
Other Non-current Financial Liabilities	(2.76)	(13.09)
Long-term Provisions	2.56	2.34
Other Current Liabilities	(5.69)	(30.27)
Other Current Financial Liabilities	(21.20)	(29.72)
Taxes Paid	(29.35)	(20.10)
Cash Generated from Operations	377.86	57.07
B. Cash Flow from Investment Activities		
Changes in Creditors for Fixed Assets	(2.87)	0.59
Purchase of Property, Plant and Equipments	(13.42)	(14.37)
Proceeds from sale of PPE	1.26	-
Bank Balances not considered as Cash Equivelant	(1.20)	(0.14)
Change in Short-term loans and advances - Capital Advance	(2.97)	0.21
Purchase of Investment	-	(13.68)
Interest Received	2.09	2.89
Net Cash Flow from Investment Activities	(17.11)	(24.50)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash Flow from Financial Activities:		
Changes in Long Term Borrowings (Net)	(109.22)	(48.04)
Changes in Short Term Borrowings (Net)	(22.41)	202.99
Interest & Financial Expenses	(212.60)	(197.18)
Net Cash Flow from Financial Activities	(344.23)	(42.23)
Total of Cash Flow (A+B+C)	16.52	(9.66)
Cash & Cash Equivalent at the beginning of the year	5.28	14.95
Cash & Cash Equivalent at the ending of the year	21.80	5.28
Cash & Cash Equivalent comprising of		
Cash on Hand	0.65	1.00
Balances with Scheduled Banks	21.15	4.28
	21.80	5.28

Note: 1. The above statement shall be read in conjunction with accompanying notes

2. Previous year's figures have been regrouped wherever necessary to confirm this year's classification.

As per our Report of even date

For and on behalf of the Board of Directors,

For H B Kalaria & Associates
Chartered Accountants
FRN : 104571W

Mukesh Patel
Managing Director
DIN: 01944968

Kiran Patel
Wholetime Director
DIN: 01918094

Hasmukh B Kalaria
Partner
Membership No.: 042002

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Paras Shah
Company Secretary
PAN: GNPPS9855F

Rajkot, June 18, 2021

Talod (Sabarkantha), June 18, 2021

Notes to the Financial Statements

for the year ended 31st March, 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Background

Exxaro Tiles Limited ('the Company') incorporated in India is a manufacturer and trader of vitrified tiles. The Company has its wide network of operations in local as well foreign market.

2. Significant Accounting Policies followed by the Company

A. Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

(ii) Historical cost convention

The Restated Ind AS financial statements have been prepared on an accrual basis under historical cost convention basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

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

B. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on

historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

C. Segment reporting:

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

D. Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the Company operates) and items included in the financial statements of the Company are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Company's functional currency of the entity at the rates prevailing on the reporting date. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

E. Revenue recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount; indirect taxes and amounts collected on behalf of third parties.

Notes to the Financial Statements

for the year ended 31st March, 2021

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard based on bills of lading.

Other operating revenue

Interest on investments and deposits is booked on a time-proportion basis taking into account the amounts invested and the rate of interest.

Revenue in respect of other types of income is recognised when no significant uncertainty exists regarding realisation of such income.

F. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only

if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

G. Impairment of non-financial assets

Property, plant and equipments (PPE) and Intangible assets (IA) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

H. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes



Notes to the Financial Statements

for the year ended 31st March, 2021

cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

I. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment, if any.

J. Inventories

Inventories of raw materials, work-in-progress, stores and spares, finished goods and stock-in-trade are stated at cost or net realisable value, whichever is lower. Goods-in-transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. A cost formula used is 'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

K. Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

- (2) **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

L. Property, plant and equipment

Property, plant and equipment are measured at cost/ deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any

Notes to the Financial Statements

for the year ended 31st March, 2021

directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

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

Transition to Ind AS

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2019 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipments is provided on Straight-line basis, over the estimated useful lives of assets. The Company depreciates its Property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

M. Investment properties

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

N. Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software

Computer software is stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 3 years.

Transition to Ind AS

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2019 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

O. Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee



Notes to the Financial Statements

for the year ended 31st March, 2021

is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

P. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other interest and borrowing costs are charged to Statement of Profit and Loss.

Q. Provisions and contingent liabilities

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Contingent liabilities and capital commitments disclosed are in respect of items which in each case are above the threshold limit.

R. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end

Notes to the Financial Statements

for the year ended 31st March, 2021

of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they

are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

S. Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 3 Property, Plant & Equipments

		Gross Carrying Amount		Accumulated Depreciation/Amortisation		Net Carrying Amount	
Fixed Assets		As at 1st April 2020	Adjustment/ Deduction	As at 1st April 2020	For the year	As at 31st March 2021	As at 31st March 2020
(A)	Tangible Assets	77.39	-	-	-	77.39	77.39
	Land	338.66	2.45	52.72	10.49	277.91	285.94
	Buildings	1,864.28	10.32	538.35	119.52	1,216.73	1,325.93
	Plant and Equipment	16.56	0.65	5.71	1.60	9.89	10.84
	Furniture and Fixtures	31.92	-	15.40	3.77	10.90	16.52
	Vehicles	8.01	0.01	6.77	0.61	0.65	1.24
	Computer	5.03	-	4.01	0.36	0.66	1.02
	Office Equipments						
	Sub Total :	2,341.85	13.42	622.96	136.34	1,594.12	1,718.88
(B)	Intangible Assets	2.49	-	2.49	-	-	-
	Computer Software	2.49	-	2.49	-	-	-
	Sub Total :	2,344.34	13.42	625.46	136.34	1,594.12	1,718.88
	Total :						

		Gross Carrying Amount		Accumulated Depreciation/Amortisation		Net Carrying Amount	
Fixed Assets		As at 1st April 2019	Adjustment/ Deduction	As at 1st April 2019	For the year	As at 31st March 2020	As at 31st March 2019
(A)	Tangible Assets	77.39	-	-	-	77.39	77.39
	Land	338.04	0.62	42.26	10.46	285.94	295.78
	Buildings	1,851.48	12.80	414.53	123.82	1,325.93	1,436.95
	Plant and Equipment	16.24	0.32	4.00	1.72	10.84	12.25
	Furniture and Fixtures	31.92	-	10.52	4.88	16.52	21.40
	Vehicles	7.84	0.17	6.06	0.71	1.24	1.78
	Computer	4.57	0.46	3.13	0.88	1.02	1.44
	Office Equipments						
	Sub Total :	2,327.48	14.37	480.49	142.47	1,718.88	1,846.99
(B)	Intangible Assets	2.49	-	2.00	0.50	-	0.50
	Computer Software	2.49	-	2.00	0.50	-	0.50
	Sub Total :	2,329.97	14.37	482.49	142.97	1,718.88	1,847.49
	Total :						

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 4 Non Current Investments

(Rs. In millions)

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 1st April, 2019	
	nos of units	Amount	nos of units	Amount	nos of units	Amount
Investment in Debt Instruments:						
(fully paid)						
Quoted:						
At Cost						
Edelweiss Finance & Investment Ltd. of Rs.1000 each	13,680	13.68	13,680	13.68	-	-
Total	13,680	13.68	13,680	13.68	-	-
Aggregate Market Value of quoted investments		15.09		13.00		
Note: 5 Other Non-Current Financial Assets						

Note: 5 Other Non-Current Financial Assets

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
(Unsecured, considered good)			
Security Deposits (Asset)	8.65	9.57	10.04
Bank Fixed Deposit (having maturity period more than 12 months)	3.72	3.72	3.72
Total	12.37	13.29	13.76

Note: 6 Inventories

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Raw Materials	108.73	151.33	178.52
Work-in-Progress	165.59	162.75	150.31
Finished Goods	711.90	702.01	407.94
Goods-in Transit	-	0.04	0.09
	711.90	702.06	408.03
Stores and Spares	51.67	28.11	36.07
Fuel	5.47	10.27	21.81
Branding	-	-	0.02
Total	1,043.36	1,054.51	794.76



Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 7 Trade Receivables

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	117.66	73.53	89.17
Trade Receivables which have significant increase in credit risk	38.12	35.09	15.42
Less: Expected Credit Loss	23.91	18.32	14.08
Sub total	131.87	90.30	90.51
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Unsecured, considered good - TR - less than 6 month	768.95	873.27	743.11
Total	900.82	963.57	833.62

Note: 8 Cash and Cash Equivalents

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Bank Balances:-			
In Current Account	21.15	4.28	14.67
Cash on hand	0.65	1.00	0.28
Total	21.80	5.28	14.95

Note: 9 Other Bank Balances

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Bank Balances:-			
Earmarked Balances with Banks			
Others(Earmarked Balances with Banks)	0.65	0.25	0.14
Fixed Deposit Account (having maturity period within 12 months)	30.67	29.87	29.84
Total	31.32	30.12	29.98

Note: 10 Loans - Current

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
(Unsecured and Considred Good)			
Loans to Others	0.29	0.29	0.09
Loans to Employees	0.22	0.22	0.34
Total	0.51	0.51	0.43

Note: 11 Other Financial Assets-Current

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Interest and Dividend Receivables on Investments	1.54	0.20	-
Total	1.54	0.20	-

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 12 Other Current Assets

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Statutory Receivable (net)	42.41	41.66	28.74
Advances to Suppliers	17.47	21.14	11.20
Capital Advances	7.83	4.85	5.06
Advances Recoverable in Cash or in Kind	0.92	0.84	-
Prepaid Expenses	4.99	2.01	2.58
Total	73.62	70.50	47.57

Note:13 Equity Share Capital

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Authorised			
5,00,00,000 (Previous years 3,50,00,000) Equity Shares of Rs. 10/- each.	500.00	350.00	350.00
	500.00	350.00	350.00
Issued, Subscribed & Paid up			
3,35,55,070 Equity Shares of Rs. 10/- each,fully	335.55	335.55	335.55
Total	335.55	335.55	335.55

13.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year:-

Particulars	No. of Shares	As at 31st March, 2021	No. of Shares	As at 31st March, 2020	No. of Shares	As at 1st April, 2019
	(In Nos.)	(In millions)	(In Nos.)	(In millions)	(In Nos.)	(In millions)
Shares outstaning at beginning of the year	3,35,55,070	335.55	3,35,55,070	335.55	3,35,55,070	335.55
Total	3,35,55,070	335.55	3,35,55,070	335.55	3,35,55,070	335.55
Add: Issue of shares	-	-	-	-	-	-
Shares outstaning at end of the year	3,35,55,070	335.55	3,35,55,070	335.55	3,35,55,070	335.55

13.2 The details of Equity Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020		As at 1st April, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mukeshbhai Babubhai Patel	31,35,988	9.35%	31,35,988	9.35%	24,86,066	7.41%
Kiranbhai Bhikhalal Patel	47,02,064	14.01%	47,02,064	14.01%	18,35,447	5.47%
Dineshbhai Ramanbhai Patel	75,53,307	22.51%	75,53,307	22.51%	20,66,872	6.16%
Dixitkumar Kacharabhai Patel	45,78,916	13.65%	45,78,916	13.65%	28,56,716	8.51%
Rameshbhai Shivabhai Patel	31,27,646	9.32%	31,27,646	9.32%	17,97,817	5.36%
Jigarbhai Bikhabhai Patel	-	0.00%	-	0.00%	20,85,673	6.22%
Hitendrabhai Kacharabhai Patel	17,63,007	5.25%	17,63,007	5.25%	14,27,711	4.25%

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 14 Other Equity

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Reserves and Surplus			
a. Securities Premium			
Opening Balance	342.74	342.74	342.74
(+) Current Year Transfer	-	-	-
Balance as at year end	342.74	342.74	342.74
b. Retained Earnings			
Opening balance	449.80	337.22	555.50
(-) Adjustment due to first time adoption of Ind AS	-	-	(218.29)
(+) Net Profit for year	152.23	112.59	-
Balance as at year end	602.04	449.80	337.22
C. Other Comprehensive Income			
Opening balance	0.78	0.56	-
(+) Changes during the year	0.76	0.22	0.56
Balance as at year end	1.54	0.78	0.56
D. Equity Component of Financial Instruments			
Opening balance	78.52	78.52	78.52
(+) Changes during the year	-	-	-
Balance as at year end	78.52	78.52	78.52
Total	1,024.83	871.84	759.03

Note: 15 Borrowings-Non Current

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Secured			
Term loans from banks	389.92	478.65	552.44
Term loans from others	133.13	168.97	-
Vehicle loan from banks	0.32	3.80	7.02
Unsecured			
Preference shares	34.70	32.35	30.15
Loans from banks	-	1.00	2.07
Loans from other than banks	0.74	6.38	85.68
Loans from intercorporate bodies	19.51	30.30	51.09
Loans from directors	18.02	142.37	152.00
Loans from relatives & shareholders	102.82	-	-
Total	699.16	863.82	880.46

Notes to the Financial Statements

for the year ended 31st March, 2021

15.1 Terms of Repayment of Loans:

Particulars(Name of financier)	Nature of Security	Terms of Repayment	Rate of Interest
0% Redeemable Non-convertible Preference shares*	Unsecured	To be repaid within 20 years of issuance at a price and date of redemption to be determined by the Board of Directors	0.00%
Term Loans from Banks (State Bank of India, Bank of Baroda)	EM and Hypothecation over all fixed asset of the company	Repayable in 26 Quarterly Installments	12.65%
Term Loans from Others (ECL Finance Ltd.)	Secured by pari passu charge on industrial property of Company, residential property of promoters and personal guarantee of promoters	Repayable in 60 Monthly Installments	14.00%
Vehicle Loan from Banks (ICICI Bank)	Hypothecation of the respective vehicle	Repayable in 36 to 60 Monthly Installments	Ranging from 8.35% to 12.04%
Loans from Banks and Others (HDFC Bank, Capital First Ltd., MAS Financials Ltd., IVL Finance Ltd.)	Unsecured	Repayable in 36 Monthly Installments	Ranging from 18.00% to 18.50%
Loans from Intercorporate Bodies	Unsecured	No Repayment term has been specified	0.00%
Loans from Directors, Relatives & Shareholders#	Unsecured	No Repayment term has been specified	0.00%

*Effective interest rate for preference shares ranges from 7.13% to 7.55%.

The unsecured loans have been raised in stipulation by the banks against their credit facilities.

15.2 Details of Preference Shares:

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Authorised			
60,00,000 Preference Shares of Rs. 10/- each.	60.00	60.00	60.00
Issued, Subscribed & Paid up			
28,12,529 Preference Shares of Rs.10/- each,fully	28.13	28.13	28.13

15.3 The details of Preference Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2021, 31st March, 2020 and 1st April, 2019	
	No. of Shares held	% of Holding
Mukeshkumar Babubhai Patel	1,70,516	6.06%
Kiranbhai Bhikhalal Patel	1,53,465	5.46%
Rameshbhai Shivabhai Patel	1,70,517	6.06%
Dixitkumar Kacharabhai Patel	2,46,570	8.77%

Note: 16 Other Financial Liabilities - Non Current

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Security deposits from dealers	4.21	6.96	20.05
Total	4.21	6.96	20.05



Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 17 Deferred Tax Liability (Net)

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Deferred Tax Liability	162.78	160.71	154.29
Less: Deferred Tax Asset	(11.83)	(7.72)	(5.95)
Net Deferred Tax Liability/(Asset)	150.95	152.99	148.34
Less: MAT Credit	120.98	109.85	91.77
Total	29.97	43.14	56.56

Note: 18 Long term provisions

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
<u>Provision for employee benefits:</u>			
Leave Encashment	0.58	0.44	0.38
Gratuity	9.92	8.53	6.54
Total	10.50	8.96	6.92

Note: 19 Borrowings- Current

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Secured			
Working Capital Loan from bank	534.75	475.64	508.44
Working Capital Loan from other than bank	200.00	202.10	40.03
EPCG Loan	-	79.42	5.69
Total	734.75	757.16	554.17

19.1 Terms of Repayment

Particulars(Name of financier)	Nature of Security	Terms of Repayment	Rate of Interest
Working Capital Loan from bank (State Bank of India, Bank of Baroda)	First and exclusive charge on entire current assets by way of hypothecation of entire raw materials, stock-in-process, stores & spares, packing material, finished goods & book debt of the Company	Repayable on demand	Ranging from 7.25% to 10.60%
Working Capital Loan from other than bank (ECL Finance Ltd.)	Pari passu charge by way of hypothecation of entire current assets, fixed assets, industrial property of Company, personal property of director and promotor and personal Guarantees of promoters.	Repayable on demand	14.00%

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 20 Trade Payables

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Micro, Small and Medium Enterprises *	-	-	-
Others (Trade Payable)			
- For Raw material & Packing Material	283.43	375.66	361.49
- For Finished Goods	18.50	31.79	3.35
- For Expenses & Others	206.80	289.74	211.05
Total	508.73	697.20	575.88

***Note :** Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosure are required to be made for enterprises which are covered under the Act. Since the company is in a process of compiling relevant information from its suppliers about their coverage under the said Act, no disclosures have been made. However, in view of the management ,the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

20.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the co. is as under:

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Principal amount due and remaining unpaid at the year end	-	-	-
Interest due on above and remaining unpaid interest at the year end	-	-	-
Interest paid other than sec 16 beyond the appointed day during the year	-	-	-
Principal amount paid beyond the appointed day during the year	-	-	-
Interest paid under sec 16 beyond appoint day during the year	-	-	-
Interest due and payable for payment already made	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

Note: 21 Other Financial Liabilities - Current

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Current Maturities of Long Term Debts	176.04	120.61	152.01
Capital Creditors	8.92	11.78	11.19
Employee Related Liabilities	43.18	64.38	51.42
Others - Current balance of banks	-	-	42.68
Total	228.14	196.78	257.31

21.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2021

Note: 22 Other Current Liabilities

(Rs. In millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Statutory Dues	45.55	46.03	85.55
Advance from Customers	9.21	14.43	5.17
Total	54.76	60.45	90.72

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 23 Short Term Provisions

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Provision for Expenses	29.91	0.11	20.32
Provision for Employee Benefits:			
Leave Encashment - Short term	0.28	0.20	0.18
Gratuity - Short term	2.72	2.19	1.72
Total	32.91	2.50	22.22

Note: 24 Current Tax Liabilities (Net)

(Rs. In millions)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Provision for Income-tax	29.65	26.19	23.69
Total	29.65	26.19	23.69

Note: 25 Revenue from Operations

(Rs. In millions)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products		
(a) Domestic Sales	2,187.89	2,063.68
(b) Export Sales	354.24	325.28
	2,542.13	2,388.95
Other Operating Revenue	9.32	18.47
Total	2,551.45	2,407.42

Note: 26 Other Income

(Rs. In millions)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Financial Assets		
On Bank Fixed Deposits	2.09	2.89
On Non-Current investments	1.33	0.20
On Others	-	7.72
Other Gain and Losses		
On Foreign Exchange Gain (net)	-	2.85
Insurance Claim	10.72	7.46
Duty Drawback	7.71	5.07
MEIS Licence Sales Income	7.41	4.13
Rent Income	0.41	0.03
Miscellaneous Income	17.41	1.87
Total	47.08	32.22

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 27 Cost of Materials Consumed

(Rs. In millions)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Inventory	151.33	178.52
Add : Purchase	737.35	922.26
Less : Closing Inventory	108.73	151.33
Total	779.96	949.45

Note: 28 Purchase of Stock in Trade

(Rs. In millions)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Stock in Trade	76.81	70.05

Note: 29 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. In millions)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories (at close):		
Work-in-Process	165.59	162.75
Finished Goods	711.90	702.06
	877.49	864.80
Inventories (at commencement):		
Work-in-Process	162.75	150.31
Finished Goods	702.06	408.03
	864.80	558.34
Total	(12.68)	(306.46)

Note: 30 Employee benefit expenses

(Rs. In millions)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	182.48	254.57
Contributions to -		
Provident fund, Superannuation scheme & Other funds	6.15	6.61
Staff welfare expenses	3.92	4.06
Total	192.55	265.24

30.1 Employee Benefits, the disclosures as defined in the Accounting Standard are given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(I) Amount Recognised in Balance Sheet		
Present value of unfunded Obligations	12.64	10.72
Present value of funded Obligations	-	-
Fair Value of plan assets	-	-
Net Liability (asset)	12.64	10.72

Notes to the Financial Statements

for the year ended 31st March, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(II) Amounts to be recognised in Profit and Loss Account		
Service Cost		
Current Service Cost	2.46	2.26
Net Interest Cost	0.52	0.50
Total included in Employees Expenses	2.99	2.75
Expenses Deducted from the Fund		-
Total Charged to profit and loss	2.99	2.75
(III) Other Comprehensive Income for the Period		
Due to Change in Financial Assumption	0.10	0.45
Due to Experience Adjustments	(1.13)	(0.74)
Amount Recognised in Other Comprehensive Income	(1.03)	(0.29)
(IV) Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	10.72	8.26
Interest cost	0.52	0.50
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	0.10	0.45
Due to change in demographic assumption	-	-
Due to Experience Adjustments	(1.13)	(0.74)
Current Service Cost	2.46	2.26
Benefits Paid	(0.04)	-
Closing Defined Benefit Obligation	12.64	10.72
(V) Assumptions:		
Discount Rate (per annum)	5.20%	5.45%
Rate of Increase in Salary	7.00%	7.00%
Withdrawal Rate	45% at younger age reducing to 10% at elder age	45% at younger age reduced to 10% at elder age

Note: 31 Finance Cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(Rs. In millions)		
Interest Expenses		
On Long Term Loan	131.72	121.75
On Short Term Loan	61.78	51.87
On Other Borrowing and/or late payments	7.33	2.35
On Preference Share Liability	2.35	2.19
Other Borrowing Costs	9.42	19.01
Total	212.60	197.18

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 32 Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(Rs. In millions)		
Direct Expenses		
Stores and Spares Consumed	122.53	131.51
Power and Fuel	749.28	681.02
Factory and Other Expenses	3.88	3.61
Repairs to Machinery	8.29	26.83
Indirect Expenses		
Office Electricity Expense	0.53	1.37
Rent Expense	13.39	20.49
Transportation and Distribution Expenses	7.02	3.18
Office Expense	1.26	2.35
Repairs to Others	0.02	0.03
Insurance	8.58	5.36
Rates and Taxes	5.37	2.76
Discounts	9.08	4.56
Telephone and Postage	1.96	2.75
Printing and Stationery	0.61	0.88
Donation and Other Subscriptions	0.05	0.06
Registration and Filing Fees	0.08	0.24
Legal & Professional Fees	3.31	3.49
Public Issue Expenses	8.09	-
Travelling and Conveyance	12.28	25.95
Payments to Auditors	0.40	0.12
Advertisement and Publicity	2.74	11.08
Safety and Security Expense	3.36	4.51
Information Technology Expense	1.63	1.87
Payment for Technical Services	0.13	0.22
Warranty and Breakage Expenses	16.95	19.14
Commission to Selling Agents	4.13	6.08
CSR Expense	2.62	2.79
Loading and Unloading Cost	0.11	0.20
Export Expenses	44.91	31.91
Foreign Exchange Loss (net)	1.20	-
Bad Debts	1.32	-
Loss on Sale of Asset	0.59	-
Provision for Expected credit loss	5.59	4.24
Miscellaneous Expenses	0.04	0.92
Total	1,041.36	999.53

Notes to the Financial Statements

for the year ended 31st March, 2021

32.1 Expenditure incurred on corporate social responsibility activities

(Rs. In millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the company during the year	2.62	2.79
Amount spent during the year on :		
Construction/ Acquisition of any asset	-	-
On purpose other than above	2.62	2.79

32.2 Payments to Auditors as:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory Auditors :		
i) Audit Fees	0.35	0.12
ii) For Taxation matters	0.05	-
iii) For others	-	-
Total	0.40	0.12

Note: 33 Income Tax

(Rs. In millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Tax Expenses		
Current tax	30.72	22.50
Deferred tax liability/(assets)	(2.30)	4.58
Prior Period Tax	2.08	0.10
	30.50	27.18
Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate		
Profit/ (loss) before tax	171.61	121.69
India's statutory income tax rate	29.12%	27.82%
Expected income tax expense as per applicable taxes	49.97	33.85
Non-deductibles expenses	2.32	2.44
Prior Period Tax	(2.08)	(0.10)
Changes due to brought forward tax losses	4.87	6.20
Difference due to different tax rate	(19.99)	(12.59)
Others	(4.58)	(2.62)
Total	30.50	27.18

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 34 Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In millions)	152.23	112.59
Weighted average number of shares considered for calculating EPS (In Nos.)	3,35,55,070	3,35,55,070
Basic Earnings per share (Rs.)	4.54	3.36
Diluted Earnings per share (Rs.)	4.54	3.36
Face Value per equity share (Rs.)	10.00	10.00

Note: 35 Contingent Liabilities not provided for in respect of

(Rs. In millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax matters in dispute in respect of Assessment dues before CIT (Appeal).	25.05	26.38
Sales Tax liability under dispute before Commercial Tax (Appeal) for F.Y. 2010-11	1.26	1.33
Sales Tax liability under dispute before Commercial Tax (Appeal) for F.Y. 2011-12	11.09	11.09
Bank Guarantee issued by Bank	97.67	91.82
Letter of credit issued by Bank	20.51	20.18
EPCG Obligation	194.36	615.75

Note: 36 Related Party Information as per Ind AS 24

(A) Name of related party and nature of relationship

Name of related party	Description of relationship
1. Key Managerial Personnel	
Kiran Bhikhalal Patel	Whole-time Director
Mukesh Babubhai Patel	Managing Director
Rameshbhai Shivabhai Patel^	Director
Dineshbhai Ramanbhai Patel	Director
Daxesh Manaharlal Thakkar #	Additional Director
Kamal Dave #	Additional Director
Nidhi Praveen Gupta #	Additional Director
Dhaval Rajendrabhai Shah*	CFO
Himanshu Shah\$	CFO
Paras Shah@	Company Secretary

2. Relatives Of Key Managerial Personnel

Babubhai Punjabhai Patel
Bhikhabhai Ranchhodbhai Patel
Chetanaben Mukeshbhai Patel
Dharmendrabhai Dineshbhai Patel
Dimpalben Dineshbhai Patel
Jashiben Hasmukhbhai Patel
Jigarbhai Bhikhabhai Patel
Jignaben Dharmendrabhai Patel



Notes to the Financial Statements

for the year ended 31st March, 2021

Kailashben Sureshbhai Patel
Rakeshbhai Shivabhai Patel
Ramanbhai Virabhai Patel
Reviben Ramanbhai Patel
Rinkuben Kiranbhai Patel
Savitaben Bhikhabhai Patel
Shivabhai Ramabhai Patel
Shushilaben Rameshbhai Patel
Vasantbhai Ramanbhai Patel

* Appointed on 29/12/2020, Ceased on 20/05/21

^ Ceased to be director w.e.f. 05/11/2020

Appointed on 05/01/2021

@ Appointed on 07/02/2019, Ceased on 30/03/2020, again appointed on 05/01/2021

\$ Appointed on 20/05/2021

(B) Transactions with related party

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration to Key Managerial Personnel		
Kiran Bhikhalal Patel	0.60	0.60
Mukesh Babubhai Patel	0.60	0.60
Rameshbhai Shivabhai Patel	0.60	0.60
Dineshbhai Ramanbhai Patel	0.60	0.60
Paras Shah	0.12	0.61
Dhaval Rajendrabhai Shah	0.51	-
Salary to Relatives of KMP's		
Chetanaben Mukeshbhai Patel	0.60	-
Dharmendrabhai Dineshbhai Patel	0.65	0.90
Dimpalben Dineshbhai Patel	0.60	-
Jigarbhai Bhikhabhai Patel	0.60	0.60
Rakeshbhai Shivabhai Patel	0.65	0.90
Rinkuben Kiranbhai Patel	0.60	-
Shushilaben Rameshbhai Patel	0.60	-
Rent Paid		
Mukesh Babubhai Patel	0.24	0.24
Loan received		
Kiran Bhikhalal Patel	0.27	-
Mukesh Babubhai Patel	3.87	21.80
Rameshbhai Shivabhai Patel	0.25	-
Dineshbhai Ramanbhai Patel	-	16.50
Babubhai Punjabhai Patel	0.05	-
Dharmendrabhai Dineshbhai Patel	-	0.50

Notes to the Financial Statements

for the year ended 31st March, 2021

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Dimpalben Dineshbhai Patel	-	0.50
Jashiben Hasmukhbhai Patel	1.22	-
Savitaben Bhikhabhai Patel	0.02	-
Shushilaben Rameshbhai Patel	-	0.25
Vasantbhai Ramanbhai Patel	-	5.00
Loan repaid		
Mukesh Babubhai Patel	3.87	31.85
Dineshbhai Ramanbhai Patel	6.00	11.50
Babubhai Punjabhai Patel	3.00	-
Bhikhabhai Ranchhodbhai Patel	0.22	-
Chetanaben Mukeshbhai Patel	1.31	-
Dharmendrabhai Dineshbhai Patel	-	1.00
Dimpalben Dineshbhai Patel	-	0.50
Jashiben Hasmukhbhai Patel	2.43	-
Kailashben Sureshbhai Patel	3.14	-
Rinkuben Kiranbhai Patel	0.02	-
Savitaben Bhikhabhai Patel	0.25	-
Shivabhai Ramabhai Patel	0.00	-
Shushilaben Rameshbhai Patel	0.25	-
Vasantbhai Ramanbhai Patel	-	5.00

C) Outstanding Balances with related party

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Loans from Directors and Relatives		
Kiran Bhikhalal Patel	0.69	0.42
Mukesh Babubhai Patel	0.06	0.06
Rameshbhai Shivabhai Patel	8.50	8.25
Dineshbhai Ramanbhai Patel	8.76	14.76
Babubhai Punjabhai Patel	6.06	9.01
Bhikhabhai Ranchhodbhai Patel	-	0.22
Chetanaben Mukeshbhai Patel	-	1.31
Dharmendrabhai Dineshbhai Patel	0.07	0.07
Dimpalben Dineshbhai Patel	0.07	0.07
Jashiben Hasmukhbhai Patel	-	1.22
Jigarbhai Bhikhabhai Patel	0.37	0.37
Jignaben Dharmendrabhai Patel	0.13	0.13
Kailashben Sureshbhai Patel	-	3.14
Rakeshbhai Shivabhai Patel	6.63	6.63

Notes to the Financial Statements

for the year ended 31st March, 2021

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Ramanbhai Virabhai Patel	2.75	2.75
Reviben Ramanbhai Patel	5.02	5.02
Rinkuben Kiranbhai Patel	-	0.02
Savitaben Bhikhabhai Patel	-	0.23
Shivabhai Ramabhai Patel	-	0.00
Shushilaben Rameshbhai Patel	-	0.25
Vasantbhai Ramanbhai Patel	12.52	12.52
(D) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties		
(E) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors		

Note: 37 Fair Value Measurements

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(A) Financial instruments by category

31-Mar-21	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
[i] Financial assets						
Investment in debt instruments	-	-	13.68	-	-	-
Security deposit	-	-	8.65	-	-	-
Trade receivable	-	-	900.82	-	-	-
Cash and cash equivalents	-	-	21.80	-	-	-
Bank balances other than cash and cash equivalents	-	-	35.04	-	-	-
Loans	-	-	0.51	-	-	-
Other financial assets	-	-	1.54	-	-	-
	-	-	982.05	-	-	-
[ii] Financial liabilities						
Borrowings	-	-	1,433.91	-	-	-
Trade payables	-	-	508.73	-	-	-
Other financial liabilities	-	-	232.34	-	-	-
	-	-	2,174.98	-	-	-

Notes to the Financial Statements

for the year ended 31st March, 2021

31-Mar-20	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
[i] Financial assets						
Investment in debt instruments	-	-	13.68	-	-	-
Security Deposit	-	-	9.57	-	-	-
Trade receivable	-	-	963.57	-	-	-
Cash and cash equivalents	-	-	5.28	-	-	-
Bank Balances Other Than Cash and cash equivalents	-	-	33.84	-	-	-
Loans	-	-	0.51	-	-	-
Other financial assets	-	-	0.20	-	-	-
	-	-	1,026.65	-	-	-
[ii] Financial liabilities						
Borrowings	-	-	1,620.97	-	-	-
Trade payables	-	-	697.20	-	-	-
Other financial liabilities	-	-	203.74	-	-	-
	-	-	2,521.91	-	-	-

01-Apr-19	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
[i] Financial assets						
Investment in debt instruments	-	-	-	-	-	-
Security Deposit	-	-	10.04	-	-	-
Trade receivable	-	-	833.62	-	-	-
Cash and cash equivalents	-	-	14.95	-	-	-
Bank Balances Other Than Cash and cash equivalents	-	-	33.70	-	-	-
Loans	-	-	0.43	-	-	-
Other financial assets	-	-	-	-	-	-
	-	-	892.74	-	-	-
[ii] Financial liabilities						
Borrowings	-	-	1,434.62	-	-	-
Trade payables	-	-	575.88	-	-	-
Other financial liabilities	-	-	277.36	-	-	-
	-	-	2,287.86	-	-	-



Notes to the Financial Statements

for the year ended 31st March, 2021

(B) FAIR VALUE HEIRARCHY

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company has made certain judgements and estimates in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company as classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Level 2 heirarchy includes financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 heirarchy.

(C) VALUATION TECHNIQUES

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

Note: 38 Capital Management

The Company policy is to have robust financial base so as to maintain outsider's confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity shareholders. The company monitors capital using a ratio of "adjusted net debt" to "equity". For this purpose, adjusted net debt is defined as total liability, comprising interest-bearing loans and borrowing, less cash and cash equivalents. Total Equity includes the share capital, other equity.

The capital gearing ratio is as follows:

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
Borrowings (Incl. Current Maturity)	1,609.95	1,741.58	1,586.63
Less: Cash and Cash Equivalents	(21.80)	(5.28)	(14.95)
Adjusted Net Debt (A)	1,588.15	1,736.30	1,571.68
Equity Share Capital	335.55	335.55	335.55
Other Equity	1,024.83	871.84	759.03
Total Equity (B)	1,360.38	1,207.39	1,094.58
Adjusted Net Debt to Total Equity ratio (A/B)	1.17	1.44	1.44

Note: 39 Financial Risk Management

The Company's business activities are exposed to a variety of financial risks, viz liquidity risk, market risk and credit risk. The Management of the Company has the overall responsibility for establishing and governing the Company's risk policy framework. The risk management policies are formulated after the identification and analysis of the risks and suitable risk limits and controls are set which are monitored & reviewed periodically. The changes in the market conditions and allied areas are accordingly reflected in the changes of the policy. The key risks and mitigating actions are placed before the Audit Committee of the Company who then evaluate and take the necessary corrective action. The sources of risk, which the Company is exposed to and how the Company manages these risks with their impact on the Financial Statements is given below:

Notes to the Financial Statements

for the year ended 31st March, 2021

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables, Cash and cash equivalents	Aging analysis, Credit ratings	Credit limits and bank gaurantees
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted Vs actuals	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Currency	Foreign currency receivables and payables; Forecasted foreign currency transactions	Cash flow forecasting and Sensitivity analysis	Insignificant foreign currency exposure
Market risk - Interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	The management monitors the rates of interests and continues to evaluate refinancing of debts at lower rates of interest on a regular basis.

[A] Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

Trade receivables

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer base is large, reputed and having good credit credential as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

[B] Liquidity risk

Liquidity risk is the risk the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions.

Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Carrying amount	Upto 1 year	1 - 2 year	More than 2 years	Total
31-Mar-21					
Non-derivatives					
Borrowings (including interest accrued)	1,609.95	910.79	183.48	515.68	1,609.95
Trade payables	508.73	508.73	-	-	508.73
Other financial liabilities	56.30	52.10	-	4.21	56.30
Total	2,174.98	1,471.62	183.48	519.89	2,174.98
31-Mar-20					
Non-derivatives					
Borrowings (including interest accrued)	1,741.58	877.77	176.17	687.64	1,741.58
Trade payables	697.20	697.20	-	-	697.20
Other financial liabilities	83.13	76.17	-	6.96	83.13
Total	2,521.91	1,651.13	176.17	694.61	2,521.91



Notes to the Financial Statements

for the year ended 31st March, 2021

Particulars	Carrying amount	Upto 1 year	1 - 2 year	More than 2 years	Total
01-Apr-19					
Non-derivatives					
Borrowings (including interest accrued)	1,586.63	706.17	120.61	759.85	1,586.63
Trade payables	575.88	575.88	-	-	575.88
Other financial liabilities	125.35	105.30	-	20.05	125.35
Total	2,287.86	1,387.35	120.61	779.90	2,287.86

[C] Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk; and
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments.

(i) Foreign currency risk

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material. The risk exposure is with respect to various currencies viz. USD. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
Financial assets			
Trade receivables			
USD	73.81	95.07	31.29
Net exposure to foreign currency risk (assets)	73.81	95.07	31.29
Financial liabilities			
Trade payables			
USD	4.73	5.10	5.10
Net exposure to foreign currency risk (liabilities)	4.73	5.10	5.10

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. As the Company's exposure to foreign currency is insignificant, the overall exposure of foreign currency risk is not significant to the operations of the Company.

(ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets / borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Notes to the Financial Statements

for the year ended 31st March, 2021

Interest rate risk exposure

The exposure of the Company to change in interest rate at end of the reporting periods are as follows:

Particulars	31-Mar-21		31-Mar-20	
	Amount	% of total	Amount	% of total
Variable rate borrowings	1,575.25	100.00%	1,709.24	100.00%
Fixed rate borrowing	-	0.00%	-	0.00%
	1,575.25	-	1,709.24	-

Sensitivity

Profit and loss is sensitive to higher/lower interest expenses from borrowing as a result of change in interest rate.

Particulars	Impact on profit after tax	
	31-Mar-21	31-Mar-20
Interest rate increase by 100 basis points	(21.81)	(23.69)
Interest rate decrease by 100 basis points	21.81	23.69

Note: 40 Segment Information :

a) Primary segment - Business Segment

The Company has only one business segment Viz : "Manufacturing and Trading of refractory ceramic products (Vitrified Tiles)". As determined by the chief operating decision maker.

b) Secondary segment - Geographical Segment

Information of geographical segment:

Particulars	Year	In India (Rs. In millions)	Outside India (Rs. In millions)	Total (Rs. In millions)
Segment Revenue	2020-21	2,187.89	354.24	2,542.13
	2019-20	2,063.68	325.28	2,388.95
Carrying cost of Assets by location of Assets	2020-21	1,594.12	-	1,594.12
	2019-20	1,718.88	-	1,718.88
Additions to Assets and Intangibles	2020-21	13.42	-	13.42
	2019-20	14.37	-	14.37

Note: 41 The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below

Particulars	(Rs. In millions)
	Year Ended on 31.03.2020
Net Profit for the period under Previous Indian GAAP	121.57
Add: Interest Income on Investment	0.20
Add: Amortisation on Advertisement Expense added back	4.85
Add/Less: Unwinding finance cost	0.65
Less: Reclassification of Preference Share	(2.19)
Less: Advertisement Expenses	-
Less : CSR Expenditure Reclassified	(0.82)

Notes to the Financial Statements

for the year ended 31st March, 2021

(Rs. In millions)	
Particulars	Year Ended on 31.03.2020
Less: Allowance for expected credit loss	-4.24
Less: Deferred Tax Asset/ (Liability)	-4.58
Less : Provision for Employee Benefits	-2.84
Less: Others	-
Net Profit for the period under Ind AS	112.59
Other Comprehensive Income	
Remeasurements of defined benefit plans	0.29
Deferred Tax effects	(0.08)
Total Comprehensive Income under Ind AS	112.80

Reconciliation of other equity between previous GAAP and Ind AS

(Rs. In millions)		
Particulars	As st 31.03.2020	As st 01.04.2019
Other Equity under previuos GAAP	1,095.76	974.19
Prior period deferred tax	-	(107.68)
Reclassification adjustment	-	(36.19)
Unwinding finance cost	0.65	3.81
Reclassification of Preference Shares	(2.19)	(4.59)
Allowance for expected credit loss	(4.24)	(14.08)
Employee benefits	(2.84)	(9.57)
Interest income from investment	0.20	-
Advertisement expenses	-	(13.94)
Amortisation on advertisement expense added back	4.85	4.40
CSR Expenditure reclassified	(0.82)	-
Deferred tax effect for current year	(4.58)	(40.46)
Total Adjustment in reserves and surplus	(8.98)	(218.29)
Securities Premium	-	(75.95)
Equity Component of Financial Instruments	-	78.52
Other comprehensive Income (including deferred tax thereon)	0.22	0.56
Current year adjustments to other Equity	(8.76)	(215.16)
Total Adjustments to other Equity	(223.92)	(215.16)
Other Equity under Ind AS	871.84	759.03

Notes to the Financial Statements

for the year ended 31st March, 2021

Note: 42 The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of the standalone financial results. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

Note: 43 Previous year's figures have been regrouped wherever necessary.

As per our Report of even date	For and on behalf of the Board of Directors,	
For H B Kalaria & Associates Chartered Accountants FRN : 104571W	Mukesh Patel Managing Director DIN: 01944968	Kiran Patel Wholetime Director DIN: 01918094
Hasmukh B Kalaria Partner Membership No.: 042002	Himanshu Shah Chief Financial Officer PAN: AMDPS6139B	Paras Shah Company Secretary PAN: GNPPS9855F
Rajkot, June 18, 2021	Talod (Sabarkantha), June 18, 2021	

