

MCL: SEC: AUG: 2024

Date: 26.08.2024

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

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

Sub.: Notice of 41st Annual General Meeting (AGM) scheduled to be held on Saturday, 21st September, 2024 at 3:00 P.M. along with Annual Report for the financial year ended 31st March, 2024.

Dear Sir/ Madam,

We wish to inform you that the 41st Annual General Meeting of the Company will be held on Saturday, 21st September, 2024 at 3:00 P.M. at Hotel Naveen, Unkal Lake, Hubballi - Dharwad Highway, Bairidevarkoppa, Hubballi – 580025, Karnataka.

In terms of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 91 of the Companies Act, 2013 including rules made thereunder, the Register of Members/ Share Transfer Books of the Company will remain closed from Saturday, September 14, 2024 to Saturday, September 21, 2024 (both days inclusive), for the purpose of 41st Annual General Meeting and payment of Dividend.

The Company has fixed Friday, September 13, 2024 as the "Cut-off Date" and "Record Date" for the purpose of determining the Members eligible to vote on the resolutions set out in the Notice of the 41st AGM and for the purpose of determining the Members eligible to receive dividend for the financial year 2023-24 respectively.

Please find enclosed the Notice of 41st Annual General Meeting along with Integrated Annual Report for the financial year 2023-24 comprising the standalone and consolidated audited financial statements, including Board's Report, Auditors' Report and other documents required to be attached thereto.

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

Thanking you.

Yours faithfully.

For Murudeshwar Ceramics Limited


Ashok Kumar
Company Secretary &
Compliance Officer



26.08.2024, Bengaluru



41st ANNUAL REPORT 2023-2024



BOARD OF DIRECTORS & KMP

Shri SATISH R SHETTY
Chairman & Managing Director

Shri SUNIL R SHETTY
Non-Executive Director

Shri NAVEEN R SHETTY
Non-Executive Director

Shri KARAN SATISH SHETTY
Whole Time Director

Dr. S.S. HIREMATH
Independent Director

Shri ANNAPPAYYA
Independent Director

Shri SANKAPPA K SHETTY
Independent Director

Smt. SARVANI ALVA
Independent Director

Shri RAVINDRA BHANDARY
Independent Director

Shri SATHYA MURTHY PADAKI
Independent Director (upto 05.08.2023)

Shri N M HEGDE
Vice President (Finance) & CFO

Shri ASHOK KUMAR
Company Secretary & Compliance Officer

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Committees of the Board of Directors

- | | |
|--|---|
| <p>❖ AUDIT COMMITTEE
Shri Sankappa K Shetty – Chairman
Shri Satish R Shetty – Member
Shri Annappayya – Member</p> | <p>❖ CSR COMMITTEE
Shri Satish R Shetty – Chairman
Dr. S S Hiremath – Member
Shri Naveen R Shetty - Member</p> |
| <p>❖ NOMINATION & REMUNERATION COMMITTEE
Shri Annappayya – Chairman
Shri Sankappa K Shetty – Member
Dr. S S Hiremath – Member</p> | <p>❖ EXECUTIVE COMMITTEE
Shri Satish R Shetty
Shri Sunil R Shetty
Shri Naveen R Shetty,
Shri Annappayya
Shri Sankappa K Shetty
Shri Karan S Shetty</p> |
| <p>❖ STAKEHOLDERS GRIEVANCE COMMITTEE
Shri Annappayya – Chairman
Shri Satish R Shetty – Member
Shri Sankappa K Shetty – Member</p> | |

OTHER DETAILS

❖ **Statutory Auditors**

K G RAO & Co.,
Chartered Accountants,
Add.: 15, First Floor, 3rd Cross,
Sampige Road, Malleshwaram,
Bengaluru - 560003.
Email: cakrishnaraj.in@gmail.com

❖ **Internal Auditors**

S. B. Shetty and Co.,
Chartered Accountants
Add.: No 1, 2nd Floor, Time Square,
Opp. Kadasiddheswar Arts College,
Vidyanaagar, Hubballi - 580031.
Email: karthikbshetty@gmail.com

❖ **Secretarial Auditors**

Swati Hegde & Associates
Practicing Company Secretary
No. 61, G Block, 3rd Floor, Manasa Prakrithi
Building, (Above Indusind Bank), SahakarNagar Main
Road, Bengaluru, Karnataka-560092
Email: swatihegde.cs@gmail.com

❖ **Registrar and Transfer Agent**

Canbank Computer Services Limited
#218, J P Royale, 1 Floor, 14, Cross,
Sampige Road, Malleswaram,
Bangalore -560003
Phone: 080-23469661/62
Fax: 080-23469667
Email: canbankrta@ccst.co.in

❖ **Bankers**

Canara Bank
HDFC Bank
Punjab National Bank

❖ **Registered Office**

Murudeshwar Bhavan,
604/B, Gokul Road, Hubballi - 580 030
Ph.: 0836-2331615-18
Fax: 0836-2330436 / 4252583
Email: mclho@naveentile.com

❖ **Corporate Office**

Naveen Complex, 7th Floor,
No. 14, M. G. Road,
Bengaluru – 560001.
Ph.: 080 – 42897000
Email: investor@naveentile.com

❖ **Plant – I:**

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

❖ **Plant – II:**

143, Ilayancudy Road, Devamapuram Village, Thirunallar
Commune, Karaikal - 609607, Puducherry (U.T.)
Ph: 04368-236899/ 236599.

❖ **Listed on:**

- BSE (Bombay Stock Exchange)
- NSE (National Stock Exchange)

About Murudeshwar Ceramics Limited

Murudeshwar Ceramics Limited is the pioneer in manufacturing world class Vitrified tiles and Ceramic tiles under the brand name "NAVEEN". The cornerstone of our corporate journey of Thirty years has been "In Leadership through Quality". Murudeshwar Ceramics Limited is in this position today because of our knowledge of the manufacturing standards, our experience in applying the standards to a wide variety of products in the tile industry, and our thorough understanding of specialized components of the production. The 'Naveen Diamontile' tiles of various sizes, colors, designs are displayed in over 73 Company owned showrooms all over India. Apart from "A" Grade cities, showrooms have also been opened in "B" and "C" grade cities. In order to meet the immediate requirements, we store the products in 42 depots in different regions.

Mission

The cornerstone of our corporate journey of Thirty years has been "In Leadership through Quality".

Vision

To be a leader in Tile manufacturing industry by delivering high quality Tiles with Innovative design concepts using sustainable manufacturing methods

Goals

To create a large & satisfied customer base by delivering durable, defect free, environment friendly and properly designed products. To deliver excellent service at reasonable and affordable prices. To encourage our employees who are our first assets, by promoting and utilizing their best knowledge and experience

Products:

Naveen Ceramics have become synonymous with quality, producing the widest range of products in ceramic and vitrified tiles.

Quality:

India's No. 1 vitrified tiles brand, Naveen Diamontile, introduces the all new range of Super Glossy Polished Vitrified Tiles for the first time in India.

NOTICE OF 41ST ANNUAL GENERAL MEETING

To,

The Members,

Notice is hereby given that the 41st Annual General Meeting (AGM) of the Members of Murudeshwar Ceramics Limited will be held on Saturday, 21st day of September 2024 at 3.00 PM. IST at Hotel Naveen, Unkal Lake, Hubballi - Dharwad Highway, Bairidevarkoppa, Hubballi – 580025, Karnataka to transact the following businesses:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** Audited (Standalone and Consolidated) Financial Statements (including the balance sheet of the Company as at March 31, 2024 and the statement of profit and loss together with the notes on accounts, schedules, statement of cash flow, etc.), in the prescribed format, annexed to and forming part of the accounts for the year ended March 31, 2024, together with the report of the directors’, auditor’s and notes, annexures, schedules etc. appended thereon as presented to the meeting, be and are hereby considered, approved and adopted”.

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

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

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

- 3. To declare a dividend on equity shares for the financial year ended March 31, 2024:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** a dividend at the rate of Rs. 0.50 (Fifty paise only) per equity share of Rs.10/- (Rupees Ten only) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024 and the same be paid out of the profits of the Company.”

- 4. Approval for re-appointment of M/s. K.G. Rao & Co., (Firm Registration No. 010463S), as the Statutory Auditors of the Company.**

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

“**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendation of the Audit Committee and that approval of the Board of Directors of the Company, M/s. K.G. Rao & Co., Chartered Accountants, having Firm Registration No. 010463S be and are hereby reappointed as the Statutory Auditors of the Company for the second consecutive term of five years, from the conclusion of this 41st Annual General Meeting till the conclusion of the 46th Annual General Meeting to be held in the year 2029, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this Resolution”.

SPECIAL BUSINESS:

- 5. To approve existing and new Material Related Party Transaction(s) with RNS Infrastructure Limited (RNSIL) in terms of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure**

Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (‘the Act’) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and regulations 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the Company’s Policy on Related Party Transactions and based on the recommendation of the Audit Committee of Directors and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to continue with the existing contract(s)/ arrangement(s)/ transaction(s) and/or enter into and/or carry out new contract(s) arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with RNS Infrastructure Limited (RNSIL) being a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, during the financial year 2024-25 upto the date of next Annual General Meeting to be held in the year 2025, as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s), not exceeding Rs. 100.00 Crores (Rupees One hundred Crore only), provided however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company.”

“RESOLVED FURTHER THAT the Board of Directors which term shall be deemed to include any Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorized person(s) to give effect to this resolution.”

6. Appointment of Shri Vishwanath Shetty (DIN: 10694435) as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder, and pursuant to the provisions of regulations 16, 17, 17A, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) (including any statutory modification or re-enactment thereof for the time being in force), the provisions of Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and that approval of the Board of Directors of the Company, the approval of the members be and is hereby accorded to appoint Shri Vishwanath Shetty (DIN: 10694435) as an Independent Director of the Company who was appointed by the Board of Directors as an Additional Director in the category of a Non-Executive Independent Director w.e.f. 01.08.2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, proposing his candidature for the office of a Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 01.08.2024 to 31.07.2029 whether he has attained the age limit of 75 years or not.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

7. Appointment of Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder, and pursuant to the provisions of regulations 16, 17, 17A, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) (including any statutory modification or re-enactment thereof for the time being in force), the provisions of Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and that approval of the Board of Directors of the Company, the approval of members be and is hereby accorded to appoint Shri Vittal Kadekar Menaka

Shetty (DIN: 10695560) as an Independent Director of the Company who was appointed by the Board of Directors as an Additional Director in the category of a Non-Executive Independent Director w.e.f. 01.08.2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, proposing his candidature for the office of a Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 01.08.2024 to 31.07.2029 whether he has attained the age limit of 75 years or not.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

8. Appointment of Smt. Shakunthala Shetty (DIN: 10704086) as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder, and pursuant to the provisions of regulations 16, 17, 17A, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) (including any statutory modification or re-enactment thereof for the time being in force), the provisions of Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and that approval of the Board of Directors of the Company, the approval of members be and is hereby accorded to appoint Smt. Shakunthala Shetty (DIN: 10704086) as an Independent Director of the Company who was appointed by the Board of Directors as an Additional Director in the category of a Non-Executive Independent Director w.e.f. 01.08.2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, proposing her candidature for the office of a Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 01.08.2024 to 31.07.2029 whether she has attained the age limit of 75 years or not.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**By Order of the Board
For Murudeshwar Ceramics Limited**

Sd/-
Ashok Kumar
Company Secretary
M. No. ACS 40962

Place: Bengaluru
Date: 31.07.2024

NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
- (2) The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 (forty-eight) hours before the commencement of the meeting.
- (3) A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. Further a member holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member or shareholder. The holder of the proxy shall provide his identity at the time of attending the Meeting. Member may please note that a proxy does not have the right to speak at the Meeting and cannot vote on poll.
- (4) Any document/ Proxy Form in connection with the Annual General Meeting of the Company signed by any person for and on behalf of any Institution, Bank, Body Corporate etc., will be valid, only if such document/proxy form is supported by a duly authenticated copy of the Resolution of the Board of Directors authorizing such person to sign such document and/or to represent such Institution, Bank, Body Corporate etc., as the case may be.
- (5) Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- (6) Members/Proxies should bring the Attendance Slip duly filled in, for attending the Meeting. The Attendance slip is accompanied with this Annual Report. Members, who hold shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording Attendance at the forthcoming Annual General Meeting.
- (7) Due to the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular nos. 14/2020 dated April 08, 2020, Circular no.17/2020 dated April 13, 2020, Circular no. 20/2020 dated May 05, 2020, Circular no. 02/2021 dated January 13, 2021 and Circular No. 19/2021 dated December 08, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and General circular 09/2023 dated September 25, 2023 (“MCA Circulars”) (“MCA Circulars”), and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/ HO/ CFD/ CMD2/ CIR/ P /2021/11 dated January 15, 2021 and SEBI/HO/DDHS/ P/CIR/2022/0063 dated May 13, 2022, and Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 05, 2023 (“SEBI Circulars”) issued by the SEBI, notice of the AGM along with the Annual Report for the FY: 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the FY: 2023-24 will also be available on the Company’s website www.naveentile.com, and the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bse.com and www.nseindia.com respectively.
- (8) The relevant details as required under Regulations 26(4) and 6(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and secretarial standard on General meetings issued by the Institute of Company Secretaries of India in respect of a Person/ Director seeking appointment/ re-appointment as Directors are provided in the explanatory part to this Notice and also may refer in the Corporate Governance part of Annual Report.
- (9) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business set out in items no. 4 to 8 to be transacted at the Meeting is annexed hereto.
- (10) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
- (11) Documents pertaining to items referred to in the Notice are available for inspection by any member at the Registered Office of the Company on any working day from 2 p.m. to 6 p.m. upto the date of Annual General Meeting.
- (12) Register of Members/Transfer books of the Company will be closed from Saturday, September 14, 2024 to Saturday, September 21, 2024 (both days inclusive) for the purpose of 41st AGM.
- (13) Members seeking any information/clarification concerning the Accounts for the financial year 2023-24 are requested to send their specific request addressed to the Company at its Registered Office of the Company at least seven days before the Annual

General Meeting.

- (14) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act and the relevant documents will be available for inspection by the members during the AGM.
- (15) Please also refer “General Information to Shareholders” in the annexure to Corporate Governance Report forming part of this Annual Report.
- (16) In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.
- (17) In compliance with the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023; the company has already sent the final reminder along with covering letter, Form ISR-1 for updation of PAN, KYC details etc., Form ISR -2 for confirmation of signature of securities holder by the banker, Form – 3 for Declaration Form for Opting-out of Nomination by Holders of Physical Securities, Form SH – 13 Nomination form in terms section 72 of the companies Act, 2013 and rules made thereunder to all the shareholders who is holding shares in physical mode urging them to update their KYC details. The above forms are also available on the company’s website at www.naveentile.com.
- (18) Members holding shares in physical mode are:
- to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.
 - advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH-13).
 - If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be.
 - requested to register/ update their e-mail address with the Company/ Canbank Computer Services Limited (RTA) for receiving all communications from the Company electronically.
- (19) Members holding shares in electronic mode are:
- requested to submit their PAN and bank account details to their respective Depository Participants (“DPs”) with whom they are maintaining their Demat accounts.
 - advised to contact their respective DPs for registering nomination.
 - requested to register/ update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- (20) Non-Resident Indian Members are requested to inform Canbank Computer Services Ltd./ respective DPs, immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (21) Registrars and Share Transfer Agents M/s. Canbank Computer Services Limited of the company has facilitated for online processing of Investor service requests and complaints for shareholders holding shares in physical mode on its website at www.canbankrta.com available under the tab of customer services at “online Processing of Investor Services”.
- (22) In terms of the provisions of Section 152 of the Act, Shri Sunil Rama Shetty (DIN: 00037572), Director of the Company, retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend for his re-appointment.
- (23) SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks

associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Canbank Computer Services Limited (RTA), for assistance in this regard.

- (24) Please refer last page of Annual Report for AGM Location Map.
- (25) Members holding shares in physical form, in identical names, in more than one folio are requested to send to the Company or Canbank Computer Services Limited (RTA), the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

(26) Compulsory Transfer of Equity Shares to Investor Education and Protection Fund (“IEPF”) Suspense Account:

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), all Equity Shares on which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF) authority after complying with the procedure laid down under the said Rules.

Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed/ unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

Shareholders who have not encashed the dividend warrants for the previous year(s), are requested to make their claim with Canbank Computer Services Limited at #218, J P Royale, 1 Floor, 14, Cross, Sampige Road, Malleswaram, Bangalore -560003, India. The Company has also uploaded details of Unclaimed dividend amount(s) lying with the Company as on date of Annual General Meeting on the website of the Company i.e., www.naveentile.com.

(27) Dividend Related Information:

- (a) Subject to approval of the Members at the AGM, the dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company’s Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
- (b) The Company has fixed Friday, September 13, 2024 as the “Record Date” for the purpose of determining the Members eligible to receive dividend for the financial year 2023-24.
- (c) Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants/ demand drafts will be dispatch to the registered address of the Members who have not updated their bank account details.
- (d) Members are requested to register/ update their complete bank details with their Depository Participant(s) with which they maintain their demat accounts, if shares are held in dematerialised mode, by submitting forms and documents as may be required by the Depository Participant(s) and the process to be followed for updation of bank details, if shares are held in physical mode, is given in Note No. 18 in this Notice.
- (e) Pursuant to the requirement of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a company on or after April 1, 2020 the Company will be required to deduct “Tax deduction at source (TDS)” at the prescribed rates on the dividend paid to its shareholders. The TDS rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ Canbank Computer Services Limited / Depository Participant.
- (f) **For Resident Shareholders:** Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN/invalid PAN/PAN not linked with Aadhaar/not registered their valid PAN details in their account or classified as specified person in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.
- (g) **For Non-resident Shareholders:** As per Domestic Tax Law: Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to

them. In case, nonresident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

As per Double Tax Avoidance Agreement (DTAA): As per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction /withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

- (h) **TDS to be deducted at higher rate:** In case of non-filers of Return of Income; TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar; who do not provide/furnish their Permanent Account Number (PAN).

(28) Voting through electronic means:


- (a) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Obligations and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to cast their vote electronically, through the e-voting services provided by NSDL on all resolutions set forth in this Notice, through remote e-voting to all members.
- (b) Such remote e-voting facility is in addition to voting that may take place at the meeting venue on September 21, 2024. Members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.
- (c) The Board of Directors has appointed Mr. Sunil J. Shah, Practicing Company Secretary (Membership No. ACS: 8717), (mail id: sunil_j_shah@yahoo.com) as the Scrutinizer to scrutinize the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.naveentile.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
- (d) The remote e-voting period commences on September 18, 2024 (9.00 a.m. IST) and ends on September 20, 2024 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 13, 2024 (Cutoff date {record date}) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- (e) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the AGM.
- (f) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 13, 2024 (Cutoff date {record date}).

INSTRUCTIONS FOR E-VOTING

A. Login method for e-Voting:

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IdeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IdeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IdeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IdeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. If you are not registered for IdeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IdeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. of NSDL. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress

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

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

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

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

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

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For members who hold shares in demat account with NSDL	8-character DP ID followed by 8-digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
For members who hold shares in demat account with CDSL	16-digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****.
For members holding shares in physical form	EVEN Number followed by Folio Number registered with the Company For example, if your Folio Number is 001*** and EVEN is 116022, then your User ID is 116022001***

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

- 1) If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
- 2) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' for the system to prompt you to change your password.
- 3) How to retrieve your 'initial password'?
If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for your NSDL account, or the last 8 digits of your Client ID for CDSL account, or Folio Number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

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

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

Cast your vote electronically on NSDL e-voting system

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

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

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

Other Instructions:

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

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 AND PROFILE OF THE APPOINTEES:**Item No. 4: Approval for re-appointment of M/s. K.G. Rao & Co., Chartered Accountants (Firm Registration No. 010463S), as the Statutory Auditors of the Company.**

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members at the Thirty Six Annual General Meeting ('AGM') of the Company held on Saturday, 28th day of September, 2019, had approved for appointment of M/s. K.G. Rao & Co., Chartered Accountants (Firm Registration No. 010463S), as the Statutory Auditors of the Company to hold office from the conclusion of the 36th AGM till the conclusion of the 41st AGM of the Company to be held in the year 2024.

The Board of Directors of the Company ('Board') has, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., and based on the recommendation of the Audit Committee, proposed the reappointment of M/s. K.G. Rao & Co., Chartered Accountants (Firm Registration No. 010463S), as the Statutory Auditors of the Company, for the second consecutive term of five consecutive years from the conclusion of 41st AGM till the conclusion of 46th AGM of the Company to be held in the year 2029, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

M/s. K.G. Rao & Co., Chartered Accountants (Firm Registration No. 010463S) have given their consent to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Companies Act, 2013 and the Rules framed thereunder.

M/s. K.G. Rao & Co., Chartered Accountants (Firm Registration No. 010463S) was paid a fee of 7.20 Lakhs for the audit of standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024, including applicable taxes and out-of-pocket expenses.

The increase in fee proposed to be paid to M/s. K.G. Rao & Co., for the financial year ending March 31, 2025 will be mutually agreed basis the efforts involved. The Board, in consultation with the Audit Committee will approve revisions, if any in the remuneration of the Statutory Auditors for the remaining part of the tenure. The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 4 of the accompanying Notice.

Item No. 5: To approve Material Related Party Transaction(s) with RNS Infrastructure Limited (RNSIL) in terms of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 read with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, govern the Related Party Transactions for entering into any contract, transactions or arrangement with the related party (ies).

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹ 1,000 crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2024-25, the related party transactions as mentioned below, in the aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements/ transactions to be undertaken by the Company. All the transactions to be entered into would be in the ordinary course of business of the Company and on an arm's length basis.

The Company proposes to enter into transactions with its related party mentioned in Resolution at Item no. 5 of the Notice, during the financial year 2024-25, as per the terms and conditions as mutually agreed upon between the parties. The Audit Committee of the Company has approved the said related party transactions at its meeting held on May 29, 2024 and has noted that although the proposed related party transactions are in the ordinary course of business of the Company and shall be entered into at an arm's length basis, they may, in aggregate, cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company.

Your Board of Directors considered the same and recommends for passing the resolution contained in Item No. 5 of the accompanying Notice. Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22nd November 2021 is provided herewith:

S.N.	Particulars	Details
1	Name of Related Party	RNS Infrastructure Limited
2	Nature of Relationship	Group Company & Common Promoters
3	Nature and Material Terms of Contract	Sale of goods, rendering of services and receiving of services.
4	Whether in Ordinary Course of Business	Yes
5	Material terms and particulars of the proposed transaction	Material terms and conditions are based on the contracts which inter alia include the rates which are based on prevailing market price and commercial terms as on the date of entering into the contract.
6	Whether at Arm's Length basis	Yes
7	Estimated Value of Approval being sought	Rs. 100.00 Crore for FY: 2024-25
8	Tenure of the Proposed transactions	1 year (financial year 2024-25 upto the date of next Annual General Meeting to be held in the year 2025)
9	Justification as to how these RPTs is in the interest of the Company	Contracts/ Arrangement(s) are commercially beneficial for the company
10	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.	54%
11	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
12	Any other information relevant or important for the members to take a decision on the proposed transaction.	Nil

The Members may please note that in terms of provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not) shall not vote to approve the ordinary resolution at Item No. 5 of the accompanying Notice.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business and to the extent of their shareholding and directorship.

Item No. 6: Appointment of Shri Vishwanath Shetty (DIN: 10694435) as an Independent Director of the Company:

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors at its meeting held on 31.07.2024, appointed Shri Vishwanath Shetty (DIN: 10694435) as an Additional Director in the category of Independent Director of the Company to hold office upto the date of ensuing Annual General Meeting (AGM).

Pursuant to Regulation 17(1C) of Listing Regulations, Shri Vishwanath Shetty (DIN: 10694435) shall hold office until the date of next General Meeting or for a period of three months from the date of appointment, whichever is earlier. Shri Vishwanath Shetty (DIN: 10694435) is eligible to be appointed as an Independent Director for a term of upto five consecutive years.

The resolution seeks the approval of members for the appointment of Shri Vishwanath Shetty (DIN: 10694435) as an Independent Director of the Company from 01.08.2024 to 31.07.2029 (both days inclusive) pursuant to Sections 149, 150, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and in terms of Listing Regulations and he shall not be liable to retire by rotation.

The Company has received the following consent, declaration, and confirmation from Shri Vishwanath Shetty (DIN: 10694435):

- Consent in writing from to act as Director in Form DIR - 2 pursuant to section 152 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules');
- Form DIR - 8 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and rules made there under;
- a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Listing Regulations;
- Declaration that he has not been debarred from holding office of a director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.
- Confirmation that he is not aware of any circumstances or situation, which exists or may be reasonably anticipated, that will impair or impact the ability of discharging his duty as an Independent Director;
- Confirmation that he has complied with rule 6(1) and (2) of the Companies (Appointment and qualification of Directors) Rules, 2014.

In addition to the above, the Company has also received a notice in writing from a member, in terms of section 160 of the Companies Act, 2013 proposing the appointment of Shri Vishwanath Shetty (DIN: 10694435).

The profile and specific areas of expertise of Shri Vishwanath Shetty (DIN: 10694435) and other relevant information as required under Listing Regulations and SS-2 are provided as under:

Name	Shri Vishwanath Shetty
DIN	10694435
Date of birth	26-07-1957
Age	67 years
Date of appointment in Board Meeting	01.08.2024
Qualification	Graduated (B. Tech)
Expertise in specific Functional Area	Leadership, Material management, Human resource management, Contract management, power production systems.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	NIL
Membership of Committee/chairmanship in other Public Limited Company	NIL
No. of shares held (a) own (b) For other persons on a beneficial basis.	NIL

Based on recommendation of Nomination and Remuneration Committee and in the opinion of the Board, Shri Vishwanath Shetty (DIN: 10694435) fulfils the conditions for independence specified under the Companies Act 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations and such other laws/ regulations

for the time being in force, to the extent applicable to the Company for appointment as an Independent Non-Executive Director of the Company.

Further, the Board noted that Shri Vishwanath Shetty (DIN: 10694435) has a set of skills, background and experience which are aligned to the role and capabilities identified by the Nomination and Remuneration Committee of the Company and that he is eligible for appointment as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the LODR Regulations, the approval of the Members is sought for the appointment of Shri Vishwanath Shetty (DIN: 10694435) as an Independent Director of the Company, by a special resolution as set out in the notice portion.

All the material documents referred to in the Notice and Explanatory Statement such as the appointment letter, statutory forms etc. are available for inspection without any fee by the members at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the last date of voting.

None of the Directors, Key Managerial Personnel or any relative of any of the Directors or Key Managerial Personnel of the Company is in anyway, concerned or interested in the above said resolutions for appointment of Independent Directors of the Company.

Item No. 7: Appointment of Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) as an Independent Director of the Company:

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors at its meeting held on 31.07.2024, appointed Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) as an Additional Director in the category of Independent Director of the Company to hold office upto the date of ensuing Annual General Meeting (AGM).

Pursuant to Regulation 17(1C) of Listing Regulations, Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) shall hold office until the date of next General Meeting or for a period of three months from the date of appointment, whichever is earlier. Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) is eligible to be appointed as an Independent Director for a term of upto five consecutive years.

The resolution seeks the approval of members for the appointment of Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) as an Independent Director of the Company from 01.08.2024 to 31.07.2029 (both days inclusive) pursuant to Sections 149, 150, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and in terms of Listing Regulations and he shall not be liable to retire by rotation.

The Company has received the following consent, declaration, and confirmation from Shri Vittal Kadekar Menaka Shetty (DIN: 10695560):

- Consent in writing from to act as Director in Form DIR - 2 pursuant to section 152 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules');
- Form DIR - 8 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and rules made there under;
- a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Listing Regulations;
- Declaration that he has not been debarred from holding office of a director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.
- Confirmation that he is not aware of any circumstances or situation, which exists or may be reasonably anticipated, that will impair or impact the ability of discharging his duty as an Independent Director;
- Confirmation that he has complied with rule 6(1) and (2) of the Companies (Appointment and qualification of Directors) Rules, 2014.

In addition to the above, the Company has also received a notice in writing from a member, in terms of section 160 of the Companies Act, 2013 proposing the appointment of Shri Vittal Kadekar Menaka Shetty (DIN: 10695560).

The profile and specific areas of expertise of Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) and other relevant information as required under Listing Regulations and SS-2 are provided as under:

Name	Vittal Kadekar Menaka Shetty
DIN	10695560
Date of birth	12/06/1942
Age	82 years
Date of appointment in Board Meeting	01.08.2024
Qualification	Graduated (B. E)
Expertise in specific Functional Area	Leadership, material management, Human resource management, marketing, Contract management, production systems.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	NIL
Membership of Committee/chairmanship in other Public Limited Company	NIL
No. of shares held (a) own (b) For other persons on a beneficial basis.	NIL

Based on recommendation of Nomination and Remuneration Committee and in the opinion of the Board, Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) fulfils the conditions for independence specified under the Companies Act 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations and such other laws/regulations for the time being in force, to the extent applicable to the Company for appointment as an Independent Non-Executive Director of the Company.

Further, the Board noted that Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) has a set of skills, background and experience which are aligned to the role and capabilities identified by the Nomination and Remuneration Committee of the Company and that he is eligible for appointment as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the LODR Regulations, the approval of the Members is sought for the appointment of Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) as an Independent Director of the Company, by a special resolution as set out in the notice portion.

All the material documents referred to in the Notice and Explanatory Statement such as the appointment letter, statutory forms etc. are available for inspection without any fee by the members at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the last date of voting.

None of the Directors, Key Managerial Personnel or any relative of any of the Directors or Key Managerial Personnel of the Company is in anyway, concerned or interested in the above said resolutions for appointment of Independent Directors of the Company.

Item No. 8: Appointment of Smt. Shakunthala Shetty (DIN: 10704086) as an Independent Director of the Company:

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors at its meeting held on 31.07.2024, appointed Smt. Shakunthala Shetty (DIN: 10704086) as an Additional Director in the category of Independent Director of the Company to hold office upto the date of ensuing Annual General Meeting (AGM).

Pursuant to Regulation 17(1C) of Listing Regulations, Smt. Shakunthala Shetty (DIN: 10704086) shall hold office until the date of next General Meeting or for a period of three months from the date of appointment, whichever is earlier. Smt. Shakunthala Shetty (DIN: 10704086) is eligible to be appointed as an Independent Director for a term of upto five consecutive years.

The resolution seeks the approval of members for the appointment of Smt. Shakunthala Shetty (DIN: 10704086) as an Independent Director of the Company from 01.08.2024 to 31.07.2024 (both days inclusive) pursuant to Sections 149, 150, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and in terms of Listing Regulations and she shall not be liable to retire by rotation.

The Company has received the following consent, declaration, and confirmation from Smt. Shakunthala Shetty (DIN: 10704086):

- Consent in writing from to act as Director in Form DIR - 2 pursuant to section 152 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules');
- Form DIR - 8 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and rules made there under;
- a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Listing Regulations;
- Declaration that she has not been debarred from holding office of a director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.
- Confirmation that she is not aware of any circumstances or situation, which exists or may be reasonably anticipated, that will impair or impact the ability of discharging her duty as an Independent Director;
- Confirmation that she has complied with rule 6(1) and (2) of the Companies (Appointment and qualification of Directors) Rules, 2014.

In addition to the above, the Company has also received a notice in writing from a member, in terms of section 160 of the Companies Act, 2013 proposing the appointment of Smt. Shakunthala Shetty (DIN: 10704086).

The profile and specific areas of expertise of Smt. Shakunthala Shetty (DIN: 10704086) and other relevant information as required under Listing Regulations and SS-2 are provided as under:

Name	Smt. Shakunthala Shetty
DIN	10704086
Date of birth	28.04.1954
Age	70 years
Date of appointment in Board Meeting	01.08.2024
Qualification	BSC, MSW (HUMAN RESOURCES) CAIIB part1
Expertise in specific Functional Area	Leadership, Banking & finance operations, strategic planning, retail and wholesale banking, rural banking, corporate credit, project management, loan syndication, asset liability management, international banking, human resources, risk management, regulatory compliance and industrial relations.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	NIL
Membership of Committee/chairmanship in other Public Limited Company	NIL
No. of shares held (a) own (b) For other persons on a beneficial basis.	NIL

Based on recommendation of Nomination and Remuneration Committee and in the opinion of the Board, Smt. Shakunthala Shetty (DIN: 10704086) fulfils the conditions for independence specified under the Companies Act 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations and such other laws/ regulations for the time being in force, to the extent applicable to the Company for appointment as an Independent Non-Executive Director of the Company.

Further, the Board noted that Smt. Shakunthala Shetty (DIN: 10704086) has a set of skills, background and experience which are aligned to the role and capabilities identified by the Nomination and Remuneration Committee of the Company and that she is eligible for appointment as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the LODR Regulations, the approval of the Members is sought for the appointment of Smt. Shakunthala Shetty (DIN: 10704086) as an Independent Director of the Company, by a special resolution as set out in the notice portion.

All the material documents referred to in the Notice and Explanatory Statement such as the appointment letter, statutory forms etc.

are available for inspection without any fee by the members at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the last date of voting.

None of the Directors, Key Managerial Personnel or any relative of any of the Directors or Key Managerial Personnel of the Company is in anyway, concerned or interested in the above said resolutions for appointment of Independent Directors of the Company.

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

(1) Nature of the Industry:

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

(2) Incorporation Details:

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

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

(4) Financial Performance: The financial performance (standalone) of the company for the past 3 years is given below:

Particulars	(Rs. in Lakhs)		
	2023-24	2022-23	2021-22
Turnover	18630.82	17,240.68	12,291.63
Profit/(Loss) Before Tax	1148.90	737.07	372.08
Profit/(Loss) After Tax	486.07	617.76	271.35
Dividend (%)	5.00	5.00	Nil

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

**By Order of the Board
For Murudeshwar Ceramics Limited**

Sd/-
Ashok Kumar
Company Secretary
M. No. ACS 40962

Place: Bengaluru
Date: 31.07.2024

BOARD'S REPORT
Dear Members,

The Board of Directors of your company have pleasure in presenting 41st (Forty First Annual Report) on the business and operations of your Company along with the audited standalone and consolidated financial statements for the financial year ended March 31, 2024.

Financial highlight/ results of the Company:

The financial highlight/ results on standalone and consolidated financial statements of the company during the year under review as under:

(Rs. in Lakhs)

Particulars	Financial year 2023-24		Financial year 2022-23	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	18630.82	18630.82	17240.68	17240.68
Other Income	444.39	444.39	100.11	100.11
Total Income	19075.21	19075.21	17340.79	17340.79
Operational Expenditure	16528.85	16528.85	14832.88	14832.88
Increase/(Decrease) in stock (WIP)	(906.38)	(906.38)	(675.27)	(675.27)
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3452.74	3452.74	3183.18	3183.18
Less: Depreciation/ Amortisation/ Impairment	1200.02	1200.02	1109.70	1109.70
Profit /loss before Finance Costs, Exceptional items and Tax Expense	2252.72	2252.72	2073.48	2073.48
Less: Finance Costs	1103.82	1103.82	1336.41	1336.41
Profit/loss before Exceptional items and Tax Expense	1148.90	1148.90	737.07	737.07
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	1148.90	1148.90	737.07	737.07
Tax Expense-	636.14	636.14	76.77	76.77
Profit/loss for the year (1)	512.76	512.76	660.30	660.30
Total Comprehensive Income/loss (2)	(26.68)	(26.68)	(42.54)	(42.54)
Total (1+2)	486.08	486.08	617.76	617.76
Profit/ loss of associate	-	11.01	-	25.45
Total Comprehensive Income/loss	486.07	497.09	617.76	643.21
Earning per equity Share : Basic	0.84	0.86	1.08	1.13
: Diluted	0.80	0.82	1.03	1.07

Operational performance in segments:

Despite of difficult times and multiple challenges we reported a healthy performance. The revenue from operation has increased by 8.06% at Rs. 18,630.82 lakhs in compared to Rs. 17,240.68 lakhs of the previous year. The Company has earned profit of Rs.497.09 lakhs after taking into consideration of profit from its associate in compared to profit of Rs. 643.21 lakhs in the previous year.

Due to deferred tax provisions for the current year the profit has decreased by 21% in compared to previous year. High input costs, supply chain disruptions and economic uncertainty, significant escalations in raw material and energy Costs have also impacted the business profitability of tile industries.

The audited consolidated Balance Sheet as at 31st March, 2024, consolidated statement of Profit and Loss for the year ended as on that date together with the Notes and Reports of Auditors, Cash flow Statements, Management Discussion and Analysis Report forms part of the Annual Report. The financial figures have been regrouped, wherever required, if any, in line with disclosure

requirements under Schedule III of the Act. The Company has complied with the applicable provisions of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015 ('the Listing Regulations') in preparation of Standalone and Consolidated financial statements.

The impact of Geopolitical tension:

The global economy has affected by geopolitical events both directly and indirectly through financial, trade and commodity price channels, increased restrictions due to tensions between countries has disrupted trade flows and cause supply chain problems even in third-party countries. Restrictions has also affected commodity prices and lead to shortages of key resources such as oil and gas, affecting industrial production worldwide.

Capital expenditure:

During the year under review your company has incurred a capital expenditure of Rs. 7745.42 lakhs which comprises of Rs. 6858.53 lakhs in in Plant and Machinery, Rs. 2.73 lakhs in Computers, Rs. 26.26 lakhs in Office Equipment, Rs. 1.30 lakhs in Furniture & Fixtures, Rs. 4.00 lakhs in vehicles, Rs. 13.87 Leasehold improvements and Rs. 160.00 lakhs in Right to use.

Liquidity:

The Company maintains sufficient cash to meet the Company's business requirements and also to cover financial and business risks and to support future growth. The principal sources of liquidity of your Company consist of cash and cash equivalents and the cash flow that we generate from our business operations. For the financial year ended March 31, 2024 your company has Rs.1439.01 lakhs in account of cash and cash equivalents.

Basic EPS:

The Basic Earnings per Share has decreased from 1.08 of previous year to 0.84 on Standalone basis and from 1.13 of previous year to 0.86 on Consolidated basis for the financial year 2023-24.

Dividend:

Based on the Company's performance, the Board of Directors of your Company recommends a dividend of Rs.0.50 per equity share (5%) of Rs.10 each, subject to the approval of the Members in ensuing AGM for the financial year 2023-24.

In terms of the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961. For more details, please refer to note 27 in the notice portion.

Unclaimed or unpaid dividends as of March 2024:

Details of outstanding and unclaimed dividends previously declared and paid by the Company are given as under: .

Sl. No.	No. of shareholder	Amount of unpaid dividend as of 31.03.2024
1	1962	2,85,359.50

The details of the above are provided on the website of the Company at www.naveentile.com.

Transfer to Investor Education and Protection Fund:

As per the applicable provisions of the Companies Act 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years and the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years\ or more shall also be transferred to the Demat account created by IEPF Authority. However, during the financial year 2023-24 under review no amount of unpaid or unclaimed dividend is pending for seven consecutive years or more.

Brief description of the company's working during the year/ the state of company's affair prospects/ material changes and commitments affecting financial position between the end of the financial year and date of the report:

The Board, at its meeting held on February 14, 2024, has allotted 2850000 equity shares by conversion of equal number of warrants, convertible into equity shares to promoters' group. The details of which has been given under the head of Share Capital of this report.

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

Marketing strategy:

Promoting tiles effectively requires a mix of traditional and modern marketing strategies to reach both professional buyers (like architects and contractors) and end consumers. Here are some sales promotional activities Naveen Tiles has taken up in the last year:

Trade Shows and Exhibitions:

- Participate in Industry Trade Shows: Set up booths to showcase your latest tile designs and innovations. Offer live demonstrations of installations.
- Host Exclusive Events: Organize private events for architects, interior designers, and contractors to showcase new products.

Product Samples and Mock-ups:

- Free Samples: Offer free samples to potential customers so they can see and feel the quality of your tiles.
- Sample Kits for Professionals: Provide sample kits to architects and interior designers for use in client presentations.
- Showrooms: Create stunning showrooms or experience centres where customers can see tiles installed in different settings.
- Online Marketing
- Website and E-Commerce: Maintain an attractive, user-friendly website with a comprehensive catalogue and e-commerce functionality.
- Social Media Campaigns: Use platforms like Instagram, Facebook, and Pinterest to showcase your tiles in real-life installations and home improvement projects.
- SEO and Content Marketing: Develop a blog with content on tile trends, installation tips, and home decor ideas to attract organic traffic.

Discounts and Offers:

- Seasonal Sales: Offer discounts during peak renovation seasons (spring and summer).
- Volume Discounts: Provide discounts for bulk purchases to attract contractors and large projects.
- Loyalty Programs: Implement loyalty programs for repeat customers and frequent buyers.

Partnerships and Collaborations:

- Collaborate with Interior Designers: Partner with interior designers and decorators to recommend your tiles to their clients.
- Builder Partnerships: Form partnerships with builders and contractors to use your tiles in new construction projects.

Advertising:

- Local Advertising: Use local newspapers, magazines, and radio to reach homeowners in your area.
- Online Ads: Invest in Google Ads and social media ads to target homeowners and professionals looking for tiles.
- Home Improvement Shows: Sponsor or advertise on home improvement TV shows and YouTube channels.

Educational Workshops and Webinars:

- Workshops for Installers: Offer training workshops for tile installers to familiarize them with your products.
- Webinars for Professionals: Conduct webinars for architects and interior designers on the latest trends and technologies in tiles.

Customer Testimonials and Case Studies:

- Showcase Customer Projects: Highlight customer projects on your website and social media.
- Video Testimonials: Create video testimonials from satisfied customers and industry professionals.

Point-of-Sale Promotions:

- In-Store Displays: Use eye-catching displays in retail stores to highlight new and popular products.
- Promotional Materials: Provide brochures, catalogues, and swatches to retail partners.

Corporate Social Responsibility (CSR):

- Eco-Friendly Products: Promote any eco-friendly tiles and sustainable practices to appeal to environmentally conscious consumers.
- Community Projects: Engage in community improvement projects where your tiles are used, showcasing your commitment to giving back.

Implementing a mix of these strategies can help increase brand visibility, attract new customers, and drive sales for a tiles company.

Research and development (R & D):

The Research & Development wing of the Company harness the powers of cutting-edge technology to deliver something that enhances its customers' comfort life. Every new product developed here is stringently checked for its quality, right from the raw material stage itself to meet international standards and certification requirements. R & D wing of the Company ensure that what you get is fit for today and ready for tomorrow.

Disclosures relating to Subsidiaries, Associates and Joint Ventures:

RNS Power Limited is an Associate company of your company in terms of section 2(6) of the companies Act, 2013. A statement containing the salient features of the financial statements of the Company's Associates is annexed in the prescribed format of Form AOC-1 in **Annexure - 1**.

Transfer to reserves:

The Board of Directors of your company has decided not to transfer any amount to the reserves out of the amount available for appropriation.

Change in the nature of business if any:

There is no change in the nature of the business of the Company during the year under review.

Risk management:

The Risk Management Team of the company ensures that the Company has appropriate and effective risk management systems which carries out risk identification, assessment and ensures that risk mitigation plans are in place. The Company has written Risk Management Policy in terms of provisions of Section 134(3) (n) of the Companies Act, 2013, and the policy has been placed on the Company's website at www.naveentile.com also. The Audit Committee of the company has additional oversight in the area of financial risks and controls.

Board diversity:

During the year under review, your company have an appropriate mix of executive, non-executive, women and independent directors to maintain the independence of the Board and separate its functions of governance and management. The Board had nine members, two of whom are executive directors, two of whom are non-executive and non-independent directors and five are independent directors. One of the independent directors of the Board is a woman as of March 31, 2024,

Appointment or reappointment of directors and key managerial personnel:

Shri Sunil Rama Shetty (00037572), Director of the Company, who is liable to retire by rotation based on his appointment terms, offered himself for re-appointment at the ensuing Annual General Meeting ('AGM'). The Board recommends for his re-appointments in the ensuing Annual General Meeting.

Shri Ravindra Bhandary (07646192): The Board of Directors at its meeting held on 14.02.2024 has appointed Shri Ravindra Bhandary as an additional Director in the capacity of Independent Director and thereafter, the Company has obtained members' approval on 23.03.2024 by way of postal ballot for appointment of Shri Ravindra Bhandary as an Independent Director.

Shri Sathya Murthy Padaki (08276537): Shri Sathya Murthy Padaki has resigned from the post of Independent Director w.e.f. 06.08.2023 due to his personal reason and old age.

In terms of Section 203 of the said Act, the Key Managerial Personnel of your Company are Shri Satish Rama Shetty – Chairman & Managing Director; Shri Karan Satish Shetty - Whole Time Director; Shri Narayan Manjunath Hegde - Chief Financial Officer; and Shri Ashok Kumar - Company Secretary

Declaration by Independent Directors:

All the Independent Directors has submitted their confirmation confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Regulations 25 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

The Company has received Disclosure of Interest in form MBP-1 as per section 184 of the act and intimation by all the Directors for qualification to continue their directorship in form DIR-8 Pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Evaluation of the Board's performance:

In terms of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, its Committees and the Directors including the Chairman which include criteria for performance evaluation of the non-executive directors and executive director. In a separate meeting of independent Directors, performance of non-independent directors and the board as a whole was evaluated. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent Director being evaluated.

Human Resources Development:

Human resource development (HRD) refers to the organization's plan to help employees develop their abilities, skills, and knowledge. The Company is providing appropriate training and guidance to its employees from time to time for reskill them and making them for more valuable for the Company. The focus of human resources development at your company is to ensure that we enable each and every employee to navigate the next, not just for clients, but also for themselves.

Particulars of Employees and Remuneration:

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended hereto and forms part of this Report as **Annexure-2**. The information required under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. The total numbers of employees during the year under review were 302.

Number of meetings of the Board of Directors:

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

Committees of the Board:

The following Committees constituted by the Board and function according to their respective roles and defined scopes:

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

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance section.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo:

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

Remuneration policy for the directors, key managerial personnel and other employees:

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, the Board has adopted the Policy on Board Diversity and Remuneration Policy for Directors, Key Managerial Personnel, and other employees of the Company.

The Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes, recommendation for appointment of KMPs and Directors to the Board and also independence of a director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The copy of the policy is available on the company website at www.naveentile.com.

Particulars of contracts or arrangements with related parties referred to section 188 of the Companies Act, 2013 (the Act):

All transactions entered with related parties were approved by the Audit Committee and all related party transactions, that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is given in **Annexure-4**.

Corporate Social Responsibility (CSR):

Your Company has duly constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors and also has formulated a CSR Policy in terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, indicating the activities to be undertaken by the Company. The constitution of CSR Committee is disclosed in Corporate Governance Report. The CSR policy may be accessed on the Company's website at www.naveentile.com. The Statement of CSR for the financial year 2023-24 has been appended hereto and forms part of this Report as **Annexure-5**.

Deposits:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 for the financial year ended March 31, 2024.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

During the year under review no orders were passed by any Courts or Tribunals impacting the going concern status and company's operations in future.

The detail of application made/ proceeding pending under the Insolvency and Bankruptcy Code, 2016.

The Company has not filed any application during the year under review and no proceeding is pending under the Insolvency & Bankruptcy Code, 2016 (IBC) as at March 31, 2024.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

During the financial year 2023-24 under review no such events occurred.

Loans, securities or investments:

During the year under review the Company has not provided any Loans, guarantees and securities under section 186 of the Companies Act, 2013 except previous guarantee, provided jointly with other guarantors to the extent of Rs. 350.00 crores as per limit approved by the members of the Company, in favour of lenders on behalf of RNS Infrastructure Limited, a Group company of the Company and the details of investments and loans if any, are provided in the schedules to the financial statements.

Credit Ratings:

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

Total Bank Loan Facilities Rated	Rs. 117.85 Crore
Long Term Rating	CRISIL BB-/ Stable (Upgraded from CRISIL B+/Stable)
Short Term Rating	CRISIL A4+ (Upgraded from CRISIL A4)

Annual Return and the web address:

In terms of Section 92(3) and section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2024 is available on the Company's website on <https://www.naveentile.com/investor-relation>.

Statutory Auditors:

M/s. K.G. Rao & Co, (Firm Registration No. 010463S), having office at No. #15, First Floor, 3rd Cross, Sampige Road, Malleshwaram, Bangalore – 560 003 was appointed as the Statutory Auditors of the Company for the period of five consecutive years, who holds office till the conclusion of this annual general meeting for the financial year 2023-24 in terms of the section 139(1) of the Companies Act, 2013.

After approval of the Audit Committee of the Company, the Board of directors recommends to the shareholders to appoint M/s. K.G. Rao & Co, (Firm Registration No. 010463S) as the statutory auditor of the Company for further period of five consecutive years from the conclusion of this 41st Annual General Meeting till the conclusion of the 46th Annual General Meeting to be held in the financial year 2029-30 in terms of the section 139(1) of the Companies Act, 2013.

Further, the company has received a written consent and eligibility letter from M/s. K.G. Rao & Co, (Firm Registration No. 010463S), and they have also confirmed that their reappointment is in accordance with the provisions of Section 141 of the Companies Act, 2013 and rules made thereunder.

Further, pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), pursuant to the recommendations of the Audit Committee of the Board of Directors, the Board of Directors be and is hereby authorised to review and fix the remuneration payable to them for the financial year ending March 31, 2025, as may be determined by the Audit Committee in consultation with the Auditors

Auditor's Report:

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. No qualification, adverse remarks or disclaimer have been made by the Statutory Auditors with regard to the financial statements for the financial year 2023-24.

Indian Accounting Standards:

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

Secretarial Auditor and report:

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Swati R Hegde, Practicing Company Secretary to undertake the secretarial audit of the Company for the financial year 2023-24. The Secretarial Audit Report is appended hereto and forms part of this Report as **Annexure-6**.

Secretarial Standards:

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

Cost records and cost audit:

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

Internal Auditors:

Your company appoints M/s. S B Shetty & Co., (Firm Registration No. 003824S), having office at No 1, 2nd Floor, Time Square, Opp: Kadasiddheswar Arts College, Vidyanagar, Hubballi – 580031, as the Internal Auditor of your company every year and at present M/s. S B Shetty & Co. is the Internal Auditors of your Company.

Political Contribution:

Your Company has not made any political contribution to any political parties during the financial year 2023-24 under review.

Certificate pursuant to clause 10 of schedule v of SEBI (LODR), Reg, 2015:

None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority. Your Company has obtained a certificate from

Practicing Company Secretary in terms of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure/ declaration/ representation received from the directors and taken on record by the Board of Directors, as on March 31, 2024. The above said Certificate is appended hereto and forms part of this report as **Annexure-7**.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report pertaining to industry structure and developments, opportunities and threats, segment-wise performance, outlook, risks and concerns, internal control systems and adequacy, discussion on financial and operational performance for the financial year 2023-24 forming part of this report, has been given under separate section in this Annual Report in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws.

Corporate Governance:

In terms of Regulation 27 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and relevant sections of the Companies Act, 2013 the Corporate Governance Report has been included in the Annual Report. The Compliance Certificate from the auditors regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 from the period 01.04.2023 to 31.03.2024 is annexed with this report.

Policies:

Your Company has written policies as require under the Companies Act, 2013 and rules made thereunder and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. All the Policies may be accessed on the website of the Company at www.naveentile.com.

Vigil Mechanism/ Whistle Blower Policy:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, the Company has a written Vigil Mechanism/ Whistle Blower Policy which may be accessed at www.naveentile.com. The vigil mechanism was established for all its directors, employees, business associates including customers to approach the Chairman of the Audit Committee to make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

Prevention of Sexual Harassment of Women at Workplace Policy:

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee and has taken appropriate action for the safeguard of its employees in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder. The Company has zero tolerance policy for sexual harassment at workplace.

Details of Adequacy of Internal Financial Control:

In terms of Sec.134 (5)(c) of the Companies Act, 2013 the Company has an Internal Financial Controls framework which commensurate with the size, scale, and complexity of the Company's operations. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial control for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information Internal Audit is carried out by external auditors and periodically covers all areas of business.

Familiarisation Program:

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

Share Capital:

During the year under review the company has allotted 2850000 equity shares by conversion of equal number of warrants at the Board meeting held on 14.02.2024 to promoter's Group.

Thus, Authorised share capital remains the same of Rs. 7162.00 Lakhs and the Paid-up Equity Share Capital has been increased from Rs. 5769.53 lakhs to Rs. 6054.53.

Preferential allotment of Equity Shares on conversion of Share Warrants to the promoters' group:

During the year under review the company has allotted 2850000 equity shares by conversion of equal number of warrants at the Board meeting held on 14.02.2024 as under:

Name of Allottees (Promoters Group)	Equity Share allotted on conversion of warrants. (FY: 2023-24)	Face Value (In Rs.)	Issue Price (In Rs.)	Total Money Raised (Rs. in crore)
Murudeshwar Power Corporation Private Limited	2137500 Share Warrants	10.00	47.00	10.05
RNS Infrastructure Limited	712500 Share Warrants	10.00	47.00	03.35

Utilisation of Funds raised through Preferential allotment:

Pursuant to Regulation 32 of the Listing Regulations, utilisation of fund raised through Preferential allotment is as under:

Particulars	Date of Allotment	Amount raised	Purpose of utilisation fund	(Rs. in Crore)
				Date of utilisation
Preferential allotment of equity shares	14.02.2024	13.40	For Expansion Plan	31.03.2024

Prevention of Insider Trading:

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

Further, in terms of regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), the Company has purchased a software for recording of Name, PAN and email id etc. of the person to whom Unpublished Price Sensitive Information is shared for genuine purpose.

Directors' Responsibility Statement:

In terms of framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and external consultants and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal financial controls were adequate and effective during the financial year 2023-24.

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

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

“Internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information

Appreciation and acknowledgement:

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

**By order of the Board
For Murudeshwar Ceramics Limited**

**By order of the Board
For Murudeshwar Ceramics Limited**

**Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526**

**Sd/-
Naveen Rama Shetty
Director
DIN: 00058779**

Place: Bengaluru

Date: 31.07.2024

ANNEXURE –1 Disclosures Relating to Subsidiaries, Associates and Joint Ventures:
Form: AOC - 1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures.

Part A: Subsidiaries: (Information in respect of each subsidiary to be presented with amounts)
(Rs.in lakhs)

Sl. No.	Particulars	1
1	Name of Subsidiaries	Nil
2	Reporting period	
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	-
4	Share Capital	
5	Reserve & Surplus	
6	Total Assets	
7	Total Liabilities	
8	Investments	
9	Turnover	
10	Profit before tax	
11	Provision for taxation	
12	Profit after tax	
13	Other Comprehensive Income before tax	
14	Tax on other Comprehensive income	
15	Proposed Dividend	-
16	% of Holding	
Name of Subsidiaries/ Joint venture which have been liquidated or sold during the year		Nil

Part B: Associates Company: Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies:
(Rs.in lakhs)

Sl. No.	Name of Associate Company	RNS Power Limited
1	Latest audited Balance Sheet Date	31.03.2024
2	Shares of Associate or Joint Ventures held by the company on the year end	
	(i) No. of equity shares	310142
	(ii) Amount of Investment in Associates	610.15
	(iii) Extent of Holding (in percentage)	26.10%
3	Description of how there is significant influence	Voting Power
4	Reason why the associate/joint venture is not consolidated	N.A.
5	Net worth attributable to shareholding as per latest audited Balance Sheet (2807.54*26.10%)	732.77
6	Profit or Loss for the year	42.17
	(i) Considered in Consolidation	11.01
	(ii) Not Considered in consolidation	N. A

By order of the Board
For Murudeshwar Ceramics Limited

By order of the Board
For Murudeshwar Ceramics Limited

Place: Bengaluru
Date: 31.07.2024

Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526

Sd/-
Naveen Rama Shetty
Director
DIN: 00058779

ANNEXURE – 2 (a) : Particulars of employees and remuneration:

Information as per Section 134 and Section 197 read with Rule, 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Board's Report for the year ended 31st March, 2024 in respect of employees of the Company is as follows:

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

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year was 35.79 for all directors
Shri Satish Rama Shetty	25.73
Shri Karan Satish Shetty	13.40

The median remuneration of employees of the Company during the financial year 2023-24 was Rs. 2.80 lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

Note: All other Non-Executive Directors are not drawing any remuneration from the Company except sitting fees.

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

Name of KMP	Percentage increase in remuneration in the financial year
Shri Satish Rama Shetty	0.00%
Shri Karan Satish Shetty	0.00%
Shri N.M. Hegde	26.17%
Shri Ashok Kumar	37.13%

c) The percentage increase in the median remuneration of employees in the financial year: 3.26%

d) The number of permanent employees on the rolls of the company: 302 employees

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

Sl. No.	Particulars	Explanation
1.	3.26% increase in median remuneration of employees	Increase in median remuneration of employees is due to decrease in number of employees on low wages as compare to the previous year. The remuneration was paid to employees on par with other similar industry.
2.	Company performance of PAT is Rs. 643.21 lakhs (2022-23) to Rs. 497.08 (2023-24) on consolidated basis	

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

Sl. No.	Particulars of remuneration for Key Managerial Personnel	Percentage of Standalone Operating Profit
1.	Shri Satish Rama Shetty	6.27%
2.	Shri Karan Satish Shetty	3.26%
3.	Shri N.M. Hegde	0.02%
4.	Shri Ashok Kumar	0.02%

g) Market and financial performance related information:

Particulars	March 31, 2024	March 31, 2023	% Change
Market Capitalization (Rs. lakhs)	26770.60	17325.89	54.51
P/E Ratio (calculated on consolidated basis EPS 0.86 price 46.41) =46.41/0.86	53.96	26.58	103.01

(Note: As on 31-03-2024 at (BSE Rs.46.41 and NSE Rs. 46.40), average price is Rs.46.41 & No. of shares 60545260).

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

ANNEXURE – 2 (b) The name of Top Ten Employees in terms of remuneration drawn pursuant to clause 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Name of Employee	Designation	Gross Salary
1	Satish R Shetty	Chairman & Managing Director	7200000
2	Karan S Shetty	Whole Time Director	3750000
3	Narayan M Hegde	V.P. (Finance) and Chief Financial Officer	2424662
4	Nagaraj Shetty	General Manager (production)	1990246
5	Ashok Kumar	Company Secretary	1950000
6	Y Vikram Hegde	Vice President (Production)	1704880
7	Mahantesh A Mukare	General Manager (Marketing)	1659015
8	Santosh kumar Shetty	General Manager	1485768
9	Prashant Shetty	General Manager	1437252
10	Sharat Kumar Shetty	General Manager	1209531

By order of the Board
For Murudeshwar Ceramics Limited

Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526

By order of the Board
Murudeshwar Ceramics Limited

Sd/-
Naveen Rama Shetty
Director
DIN: 00058779

Place: Bengaluru
Date: 31.07.2024

ANNEXURE – 3: Conservation of Energy and Technology Absorption
A. CONSERVATION OF ENERGY

- (a) Successfully achieved increased productivity by reducing the cycle time in the Firing Kiln, which not only reduce the fuel cost of the end product considerably but also conserve the power.
- (b) Successfully implemented use of alternate product like Cashew Nut Shell, Tamarind Husk in replacement to Coal for generation of heat in the spray drier which reduced the cost of fuel in powder preparation and end product.
- (c) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
 - i. Installed timers in motors which reduce the rotation of bunjer installed for underground tanks.
 - ii. Installed inverters in the motors which reduce the power consumption in ball mills.
 - iii. Installed 400 KVA UPS system for each Kiln for immediate supply of power to the Kiln in case of power failure on running condition till the time of power supply resumes which reduce the wastage of fuel and power.
 - iv. Energy efficient LED lighting has been used in the factory and Proposal to test and purchase Variable frequency drive and panel for all our Ball Mills, to reduce peak voltage consumption.
 - v. New polishing machine has been added for efficient and better output.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Reduction in power and fuel cost for better sales realization.
- (c) Total energy consumption and energy consumption per unit of production: Not applicable.

B. TECHNOLOGY ABSORPTION: FORM B: Efforts made in technology absorption as under:

1. **Specific areas in which R & D carried out by the company**
 - a. Indigenous alternative to imported clay identified, tested and used successfully in large scale production
 - b. Indigenous glaze raw material tested for better wear resistance and slip resistance
2. **Benefits derived as a result of the above R & D**
 - a. Reduction in wastage, reduction in cost of production and better sales realization on the finished product
 - b. Larger number of Sku's to offer clients.
3. **Future plan of action**
 - a. Larger size tiles to be manufactured at Sira Plant with the additional equipments.
 - b. Produce Ceramic Floor tiles along with Wall tiles for full utilization of capacity at Karaikal plant, increase the productivity and reduce the overhead cost.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts in brief made towards technology absorption, adaptation and innovation:**
 - a) Successful production of PGVT & GVT series in various new designs using new digital printing technology.
 - b) Successful adaption of Ball clay processing plant & feldspar processing plant to remove the inbuilt impurities to enhance the brightness of Vitrified tile production.
2. **Benefits derived as a result of above efforts:** Reduction in the power cost, raw material cost, transport cost & improvement the tile brightness & quality consistency.
3. **In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:**
 - a) Technology Imported : Not done during the year
 - b) Year of Import : NA
 - c) Has technology been fully absorbed : NA
 - d) If not absorbed, areas where this has not taken place, reasons and future plans of action. : NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : Nil
- b) **Total Foreign Exchange used earned.**
- | | | |
|---------------------------|---|-----------------|
| Foreign Exchange Earnings | : | Rs. 73.50 lacs |
| Foreign Exchange Outgo | : | Rs. 551.11 lacs |

**By order of the Board
For Murudeshwar Ceramics Limited**

**By order of the Board
For Murudeshwar Ceramics Limited**

**Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526**

**Sd/-
Naveen Rama Shetty
Director
DIN: 00058779**

Place: Bengaluru
Date: 31.07.2024

ANNEXURE - 4:
FORM NO. AOC-2
Disclosures of particulars of contracts/arrangements entered into by the company with related parties

[Pursuant to clause (h) of sub-section (3) of section 134 of the act and rule 8(2) of the companies (accounts) rules, 2014 for the Financial Year ended 31.03.2024]

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

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

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

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

Sl. No.	Particulars	Details
1	Names of the related party	RNS Infrastructure Limited; Murudeshwar Power Corporation Private Limited.; RNS Power Limited; RNS Motors Private Limited; Naveen Hotels Private Limited; R. N. Shetty Trust; Shri Satish Rama Shetty – Chairman & MD Shri Sunil Rama Shetty - Director; Shri Naveen Rama Shetty – Director; Shri Karan Satish Shetty - Whole Time Director; Shri Shivabasayya Siddaramayya Hiremath – Independent Director; Shri Annappayya – Independent Director; Shri Sankappa Keremane Shetty – Independent Director; Smt. Sarvani Alva – Independent Director; Shri Sathya Murthy Padaki – Independent Director (05.08.2023); Shri N. M. Hegde – V.P. (Finance) & Chief Financial Officer Shri Ashok Kumar – Company Secretary & Compliance Officer
2	Nature of Relationship	Group Company, Common Directors & Promoters
3	Nature of contracts/ arrangements/ transaction	Sales of goods and services, purchase of power, receiving dividend, availing accommodation, remunerations, purchase of vehicles and services thereof etc.
4	Duration of the contracts/ arrangements/ transaction	Not applicable
5	Salient terms of the contracts or arrangements or transaction including the value if any	Not applicable

6	Justification for entering such contracts or arrangements or transactions	Financially beneficial for the company.
7	Date of approval by the Board	29.05.2023
8	Amount paid as advance, if any	Nil

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. For all related party transactions, please refer Note No.27.3 of the Financial Statement.

**By order of the Board
For Murudeshwar Ceramics Limited**

**By order of the Board
For Murudeshwar Ceramics Limited**

Place: Bengaluru
Date: 31.07.2024

**Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526**

**Sd/-
Naveen Rama Shetty
Director
DIN: 00058779**

ANNEXURE – 5:
Corporate Social Responsibility initiative for the period of 1st April 2023 to 31st March 2024.
1. A brief outline of the Company's CSR Policy:

This Policy has been formulated in compliance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs on February 27, 2014.

The company's CSR philosophy is to create long-term stakeholder value by implementing a business strategy that considers every dimension of how a business operates in the ethical, social, environmental, cultural, and economic spheres.

Your Company from time to time undertake projects, programs, and activity on one or more of the following areas: (a) Hospital which serves the poor and economical backward class people in rural area.

2. Composition of the CSR Committee:

Sl. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1	Shri Satish Rama Shetty	Chairman of the Committee, Chairman & MD	1	1
2	Dr. Shivabasayya Siddaramayya Hiremath	Member of the committee, Non-Executive Independent Director	1	1
3	Shri Naveen Rama Shetty	Member of the committee, Non-Executive Non-Independent Director	1	1

Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: These details can be accessed on: <https://www.naveentile.com/wp-content/uploads/2020/11/CSRCommitteeMCL.pdf>

- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). N.A
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A
- Average Net Profits/ (Loss) of the Company for the last three financial years: **Rs. (161.84) lakhs.**
- Prescribed CSR Expenditure (Two percent of the amount as in item 4 above): **Rs. (3.24) lakhs.**
- Details of CSR spent for the financial year: the Prescribed CSR Expenditure is in negative; therefore, the company has not spent any amount:

Sl. No.	Particulars	Amount Spent for the year (In Rs. lakhs)	Amount Unspent (In Rs. lakhs)
1	Contribution made to the RNS Hospital (Through RNS Trust) which serves the poor and economical backward class people in rural area.	Rs. 0.00	0.00

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A

- In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NIL**

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A

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

**By order of the Board
For Murudeshwar Ceramics Limited**

Sd/-
**Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526**

**By order of the Board
For Murudeshwar Ceramics Limited**

Sd/-
**Naveen Rama Shetty
Director
DIN: 00058779**

Place: Bengaluru
Date: 31.07.2024

ANNEXURE-6:**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Murudeshwar Ceramics Limited
CIN: L26914KA1983PLC005401
604/B, Gokul Road, Industrial Estate,
Hubballi, Karnataka- 580030

I have conducted the secretarial audit of the compliance of applicable statutory provisions under the Listed enactments and the adherence to good corporate practices by **MURUDESHWAR CERAMICS LIMITED**, (CIN: L26914KA1983PLC005401), having its Registered Office at '604/B, Gokul Road, Industrial Estate, Hubli, Karnataka- 580030' and a place other than Registered Office at '7th Floor, Naveen Complex, 14, M G Road, Bangalore Karnataka- 560001 India' (hereinafter referred as the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the representations made and also the information, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024** ("the Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to me pertaining to the financial year ended on 31st March, 2024, wherever applicable and in accordance with the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), upto September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018 and amendments from time to time;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; --(Not Applicable during the Audit Period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008); -- (Not Applicable during the Audit Period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- (Not Applicable during the Audit Period)
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (SEBI Buyback of Securities Regulations) upto 10th September, 2018 and SEBI Buyback of Securities Regulations, 2018 w.e.f. 11th September, 2018; -- (Not Applicable during the Audit Period)
- vi. Other laws applicable:

There is no sector specific law which is exclusively applicable to the Company, as understood with the nature and business of the company and also represented by the management of the Company, however the following general laws significant to the Company, were examined for ensuring their compliance mechanism:

(a) The Factories Act, 1948;

(b) The Environment (Protection) Act, 1986;

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

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

a) The Secretarial Standards issued by the Institute of Company Secretaries of India.

b) The Listing Agreements with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Reg, 2015), wherever applicable.

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

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

I further report that,

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

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

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

During the period under review,

Mr. Karan Satish Shetty (DIN: 08168200) was reappointed as the Whole Time Director of the Company for a further period of Five consecutive years and also during the year, there was resignation of Mr. Sathya Murthy Padaki, Director (DIN: 08276537) w.e.f. 06.08.2023. Further, during the year Mr. Ravindra Bhandary (DIN: 07646192) was appointed as the Additional Director w.e.f. 14.02.2024 under the category of Independent Director and then his appointment was regularised by Special Resolution dated 23.03.2024.

Also, during the said Financial Year, the Board through its meeting dated 14.02.2024 had allotted 28,50,000 equity shares of Rs. 47.00 each by conversion of equal number of share warrants to its promoter group.

I further report that, based on the information provided and representation by the Management of the Company, there were no other specific events/actions that occurred/ arose during the said audit period of the F.Y. 2023-24, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

For **Swati Hegde & Associates**
Company Secretaries

Sd/-

Swati Ramachandra Hegde

Proprietor

Mem. No: F10795 & COP No: 19286

Peer review certificate No: 2875/2023

Unique Identification Code: S2020KR723400

Date : 10th July, 2024

Place: Bengaluru

UDIN: F010795F000711000

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

ANNEXURE -1'

To the Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

To,

The Members,

Murudeshwar Ceramics Limited

CIN: L26914KA1983PLC005401

604/B, Gokul Road, Industrial Estate,

Hubballi, Karnataka- 580030

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Swati Hegde & Associates

Company Secretaries

Sd/-

Swati Ramachandra Hegde

Proprietor

Mem. No: F10795 & COP No: 19286

Peer review certificate No: 2875/2023

Unique Identification Code: S2020KR723400

Date : 10th July, 2024

Place: Bengaluru

UDIN: F010795F000711000

ANNEXURE-7:
CERTIFICATE OF NON – DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

Murudeshwar Ceramics Limited

CIN: L26914KA1983PLC005401

604/B, Gokul Road, Industrial Estate,

Hubballi, Karnataka- 580030.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Murudeshwar Ceramics Limited**, CIN L26914KA1983PLC005401 and having registered office at '604/B, GOKUL ROAD, INDUSTRIALESTATE, HUBLI, KARNATAKA- 580030 INDIA' and a place other than Registered Office at '7th Floor, Naveen Complex, 14, M G Road, Bangalore Karnataka- 560001 India' (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to me by the Company & its officers and also considering relevant relaxations granted by the MCA / SEBI, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Board of Directors:

Sl. No.	Name of Director	DIN	Designation	Date of appointment in Company #
1	Satish Rama Shetty	00037526	Executive Director- Chairman & Managing Director	27/06/2007
2	Sunil Rama Shetty	00037572	Non Executive Director	29/11/1993
3	Naveen Rama Shetty	00058779	Non Executive Director	24/11/1995
4	Karan Satish Shetty	08168200	Executive Director -Whole Time Director	10/08/2018
5	Sankappa Keremane Shetty	00894366	Non Executive Independent Director	14/05/2012
6	Shivabasayya Siddaramayya Hiremath	02272897	Non Executive-Independent Director	30/07/2008
7	Annappayya	03558522	Non Executive Independent Director	24/06/2011
8	Sarvani Alva	06896403	Non Executive Independent Director	31/07/2014
9	Ravindra Bhandary	07646192	Non Executive Independent Director	14/02/2024 *
10	Sathya Murthy Padaki	08276537	Non-Executive Independent Director	12/11/2018 Date of cessation 06/08/2023 **

The date of appointment is as per the MCA Portal.

* During the year, Mr. Ravindra Bhandary (DIN: 07646192) was appointed as the Additional Director w.e.f. 14.02.2024 under the category of Independent Director and then his appointment was then regularized shareholders by Special Resolution dated 23.03.2024.

** During the year, Mr. Sathya Murthy Padaki, Director (DIN: 08276537) resigned as the Director of the Company u/s 168 w.e.f. 06.08.2023

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

For **Swati Hegde & Associates**
Company Secretaries

Sd/-

Swati Ramachandra Hegde

Proprietor

Mem. No: F10795 & COP No: 19286

Peer review certificate No: 2875/2023

Unique Identification Code: S2020KR723400

Date: 12th July, 2024

Place: Bengaluru

UDIN: F010795F000732791

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMING PART OF THE DIRECTORS' REPORT

Economic Overview

The global economy continues to recover from the challenges faced by the Covid-19 pandemic, Russia's invasion of Ukraine, Red Sea Crisis and considerable tightening of global monetary conditions to address elevated inflation. According to the International Monetary Fund (IMF), global growth decelerated to 3.2 per cent during 2023 from 3.5 per cent during 2022 due to multiple challenges emanating from elevated inflation, tight monetary and financial conditions, escalating geopolitical tensions, rising geoeconomic fragmentation, disruptions in key global shipping routes, high public debt burdens and financial stability risks. Amidst heightened uncertainty, global growth is likely to weaken below its historical average in 2024 to 2.9 per cent.

Whereas the Indian economy expanded at a robust pace in 2023-24, with real GDP growth accelerating to 7.6 per cent from 7.0 per cent in the previous year 2022-23 and thus it is the third successive year of 7 per cent or above growth (sources RBI).

About Industry Structure and Development

The ceramic tile market is segmented by product, application, construction type, and end-user. By product, the market is sub-segmented into glazed, porcelain, scratch-free, and other products. The market is sub-segmented by application into floor tiles, wall tiles, and other applications. The market is sub-segmented by construction type into new construction, replacement, and renovation. By end-user, the market is sub-segmented into residential and commercial.

The market size of the ceramic tiles industry in India is expected to grow exponentially, due to the recovery in demand. The country is one of the fastest-growing ceramic tile marketplaces globally, driven by factors such as the booming real estate sector, government policies supporting housing growth, and rising disposable income leading to a desire for beautification of spaces. Furthermore, the demand for new touchless and hygiene-centric products in bath ware and germ-free tiles is expected to increase in the coming years. Government schemes are also anticipated to provide a further boost to the real estate market, thereby influencing the ceramic sector. A surge in remodeling activities is expected to enhance product demand in the residential segment of the Indian ceramic tiles market.

Opportunities and Threats:

The increasing population in India is one of the prime factors for the increase in demand for the ceramic tiles market. India is urbanizing rapidly, and urbanization boosts the demand for residential and commercial construction markets in the country, which has fueled rapid growth for the Indian ceramic tiles market. Rapid industrialization; favorable government policies in emerging countries, such as China, India, and Russia; expanding foreign investments, increasing disposable income, and growing focus on interior decoration have resulted in the growth of the construction industry, which, in turn, drives the demand for ceramic tiles from emerging economies.

The ceramic industry is facing challenges with regards to raw material availability, environmental issues, social issues, products dumping from China and high cost of energy availability and now, Russia vs. Ukraine, Israel vs. Hamas Conflict, and tension on Boarder of Taiwan and China will be biggest threat to the market. Apart from these challenges, the ceramic tiles market is extremely competitive in India. The market has presence of many global and regional players. One of the major challenges is the determination of competitive pricing and the difficulty lies in keeping prices lower than competitors for long enough to gain an advantage without sacrificing profitability.

Outlook:

The Global Ceramic Tiles Market size was estimated at USD 186.70 billion in 2023 and is projected to grow at a Compound Annual Growth Rate (CAGR) of 7.4% from 2024 to 2029 and whereas during the forecast period between 2024 and 2029, the size of India ceramic tiles market is projected to grow at a CAGR of 8.34% reaching a value of USD 10.41 billion by 2029.

Asia Pacific region dominated the market and accounted for a 54.1% share in 2023 and is expected to continue its dominance over the forecast period. High product demand from residential and commercial construction segments in developing countries of Asia Pacific including India and China is expected to offer growth opportunities for industry development.

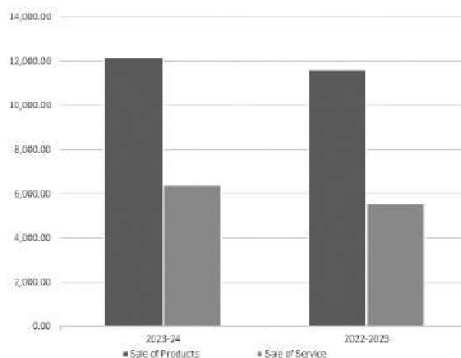
The market in India is primarily driven by significant growth in the construction sector, numerous initiatives and investments by the Government of India to promote infrastructural development are providing an impetus to the market growth.

Segment–Wise or Product-Wise Performance:

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

(Rs.in lakhs)

Segment	Sale of Products	Sale of Service
2023-24	12,193.48	6,409.54
2022-23	11,630.14	5,585.98



- The sale of products has increased by 4.84% at Rs. 12193.48 lakhs in compared to Rs. 11630.14 lakhs of the previous year
- Sale of services has marginally increased by 14.74% at Rs. 6409.54 lakhs in compared to Rs. 5585.98 Lakhs of the previous year.

Significant change in production plan:

To produce high value GVT, PGVT Vitrified tiles in bigger sizes at Sira plant and Wall tiles at Karaikal. The figures of different sizes of Vitrified Tiles & Wall tile production for the year and corresponding period of previous year are given below:

Sizes	2023-24		2022-23	
	Sq. Mtrs.	% to total	Sq. Mtrs.	% to total
30 x 30 cm	16	-	93	-
60 x 60 cm	11,91,614	30.13	12,99,803	38.75
60 x 120 cm	14,18,416	35.87	8,63,564	25.75
80 x 160 cm	6,907	0.17	-	-
Wall Tiles	13,37,727	33.83	11,90,586	35.50
TOTAL	39,54,680	100.00	33,54,046	100.00

Risks and concerns:

Risk management of your company is part of business strategy to strengthen the operating model and make business growth more profitable and sustainable. The risk strategy of the company is determined by series of risk criteria. These are based on sectoral circumstances, internal capabilities, and our earnings target within the accepted volatility limits.

Rising costs and unexpected deviations in raw material price levels destabilize the supply chains and render it difficult for manufacturers to sustain in the competitive ceramic tiles market. Further, slowdown in demand and elevated level of gas costs are major cause of concern for Indian ceramic tiles industry. The Cost of power and fuel are the largest cost components for ceramic production. Natural gas is the key source of fuel for the tiles industry and the price of Natural Gas is increasing day by day. Apart from the above challenges the industry is facing high-cost raw material, stringent environmental laws, shortage of skilled labour, high competition, demand sluggish, distribution and other expenses are high.

Discussion on financial performance with respect to operational performance:

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

Particulars	Financial year 2023-24		Financial year 2022-23	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	19075.22	19075.22	17340.79	17340.79
Total Expenditure	17926.31	17926.31	16603.72	16603.72
Profit/(loss) before Tax Expense	1148.90	1148.90	737.07	737.07
Profit/(loss) after Tax Expense	512.76	512.76	660.30	660.30
Other comprehensive income	(26.69)	(26.69)	(42.54)	(42.54)
Comprehensive Income	486.07	486.07	617.76	617.76
Profit or (loss) from Associate	-	11.01	-	25.45
Total Comprehensive income	486.07	497.08	617.76	643.21
Earning Per share: Basis	0.84	0.86	1.08	1.13
: Diluted	0.80	0.82	1.03	1.07

Internal control systems and adequacy:

In terms of Section 134(5)(e) of the Companies Act, 2013 and commensurate with its size, scale, and complexity of operations your company has Internal Control System which is intended to increase transparency and accountability in the organization to process of designing and implementing the system of internal control

The Company has a proper and adequate system of internal controls. These controls ensure transactions are authorized, recorded, and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls within the meaning of the Companies Act 2013.

The Company has also appointed a Practicing Chartered Accountant to conduct the internal audit and to submit a report to the Board. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company

Material development in human resources/ industrial relations:

Human resource development is a set of systematic and planned activities designed by an organisation to provide its employees with the opportunities to learn necessary skills to meet current and future goal of the organisation. We are proud of our people and how they continue to contribute to the success of our organisation. We respect the commitment, skills and capabilities of our people serving every day in our organization. Human Resource Department of your organisation has taken various initiatives for professional and personal development including health and safety and standard working environment for its employees during the year. The Company nurtures talents by providing its employees with opportunities to sharpen their capabilities. As a result, learning & development is a continuous process, and the company is committed to it. The Company employed 302 employees across all locations as of March 31, 2024.

Details of significant changes in key financial ratios:

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

Ratio	FY 2023-24	FY 2022-23	Variance in %	Remarks
Current Ratio	1.38	1.33	3.78	NA
Debt Equity Ratio	0.11	0.15	(25.48)	Rs. 1,043.67 lacs loans have been repaid during the year and no additional loan has been availed during the year.
Debt Service Coverage Ratio	1.32	1.17	12.82	Term Loans & GECL Loans have been repaid.
Return on Equity	0.01	0.02	26.31	There is an increase in profitability for the current year.
Inventory Turnover Ratio	1.59	1.50	6.36	There is increase in sales turnover in the current year compared to previous year.

CORPORATE GOVERNANCE REPORT

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

1. Philosophy and Corporate Governance:

Corporate governance is the combination of systems, rules, regulations, processes, and laws by which businesses are operated, regulated, and controlled in the right direction. It is a system established internally and externally over the management of the business entity with the objective of protecting the interests of the Stakeholders. Corporate Governance is not merely compliance with laws, rules and regulations but its objective is to create and adopt corporate culture of transparency and to develop and identify the opportunity for accomplishment of corporate’s goals.

The company’s philosophy on corporate governance oversees the people, process, performance, purpose, and the business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors, and the society at large.

Corporate Governance Structure at your company, consist of the Board of Directors, Board’s Committees, and the Executives’ Committee. The Board oversees Management functions and protects the long-term interests of the Stakeholders. The corporate governance framework ensures that the Company makes timely disclosures and shares accurate information regarding the financials and performance, as well as the leadership and governance of the Company. it is committed to keeping its standards of transparency and dissemination of information under continuous review to meet both letter and spirit of the law as well ethic.

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

2. Board of Directors:

The Board of Directors (“The Board”) is ultimately responsible for the management, general affairs, direction, performance, and long-term success of business of the Company. The Board sets out the overall corporate objectives and provides direction and independence to the Management to achieve these objectives for value creation through sustained growth and ensures compliance with laws and regulations impacting the Company’s business.

The operations of the Company are conducted under the supervision and directions of the Board of Directors within the framework set by the Companies Act 2013, the Memorandum and Articles of Association, SEBI Guidelines and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has delegated the operational conduct of the business to the Managing Director.

The Executive Director and Senior Management Personnel who comprises the leaders from different functions of the Company are responsible to the strategic management of the Company’s businesses within the Board approved direction and framework.

In line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an optimal combination of Executive and Non-Executive Directors as on March 31, 2024. The Company has nine Directors, and the composition of the Board is as provided herein below:

2.1 Executive Director

- 1) Shri Satish Rama Shetty : Chairman & Managing Director
- 2) Shri Karan Satish Shetty : Whole Time Director

2.2 Non-Executive Directors

- 3) Dr. Shivabasayya Siddaramayya Hiremath : Independent Director.
- 4) Shri Annappayya : Independent Director
- 5) Shri Sankappa Keremane Shetty : Independent Director
- 6) Smt. Sarvani Alva : Independent Director
- 7) Shri Sunil Rama Shetty : Non-Executive Director
- 8) Shri Naveen Rama Shetty : Non-Executive Director
- 9) Shri Sathya Murthy Padaki : Independent Director (till 05.08.2023)
- 10) Shri Ravindra Bhandary : Independent Director (from 14.02.2024)

The Board has seven Non-Executive directors out of which five are independent directors. The said composition is in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with the Companies Act, 2013 and rule framed thereunder, the Managing Director and the Whole Time Director have been appointed for a term of five years effective from their respective date of appointment. All the directors are resident Indian. Smt. Sarvani Alva is the woman Independent Director.

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

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

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

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

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

- (i) **Shri Sunil Rama Shetty (DIN : 00037572):** Pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 (“Act”), and rules made thereunder and as per provisions contained in the Articles of Association of the Company, resolution for reappointment of Shri Sunil Rama Shetty (DIN 00037572), as a director without affecting his current position, who is liable to retire by rotation has been placed for shareholders’ approval. Shri Sunil Rama Shetty is the promoters’ Director since inception.
- (ii) **Shri Ravindra Bhandary (DIN: 07646192):** pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder, and pursuant to the provisions of regulations 16, 17, 17A, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendation of the Nomination and Remuneration Committee and that approval of the Board of Directors of the Company, the members of the company have appointed Shri Ravindra Bhandary (DIN: 07646192) as an Independent Director of the Company w.e.f. 14.02.2024.
- (iii) **Shri Sathya Murthy Padaki (DIN: 08276537):** Shri Sathya Murthy Padaki (DIN: 08276537) has resigned from the post of Independent Director w.e.f. 6th August 2023 due to his personal and unavoidable circumstances, and due to his old age, he find difficulties to devote as much time and attention to discharging his role and responsibility as an Independent Director of the company. Further, he confirmed that there are no other material reasons for his resignation, other than those mentioned above.

b. Board qualifications, skills, expertise, experience and competencies:

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

Name of the Director	Core skills/expertise/competencies
Satish Rama Shetty	Leadership, Finance, Sales & Marketing, Technology, Diversity, Risk Management, Human Resources, Business Management, Global Business and Strategic Planning.
Sunil Rama Shetty	Leadership, Finance, Sales & Marketing, Technology, Diversity, Risk Management, Human Resources, Business Management, Global Business and Strategic Planning.

Shri Naveen Rama Shetty	Design and develop civil engineering projects, Leadership, Finance, Sales & Marketing, Technology, Diversity, Risk Management, Human Resources, Business Management, Global Business and Strategic Planning.
Karan Satish Shetty	Leadership, Finance, Sales & Marketing, Technology, Diversity, Risk Management, Human Resources, Business Management, Global Business and Strategic Planning.
Annappayya	Banking, accountancy, finance, and rural economy, small scale industry, risk management, human resources, business management, Credit Recovery & Treasury Management and Strategic Planning.
Sankapa Keremane	Design and develop civil engineering projects, Leadership, Sales & Marketing, Technology, Diversity, Risk Management, Human Resources, Business Management and Strategic Planning.
Shivabasayya S. Hiremath	Leadership, Finance, Technology, Diversity, Risk Management, Human Resources, Business Management and Strategic Planning.
Sarvani Alva	Leadership, Finance, Technology, Diversity, Risk Management, Human Resources, Business Management and Strategic Planning.
Ravindra Bhandary	Banking, accountancy, finance, agriculture and rural economy, small scale industry, risk management, human resources, business management, Credit Recovery & Treasury Management and Strategic Planning.

c. Meetings, Attendance and Membership of Committees:

During the year under review four Board Meetings were held on May 29, 2023, August 05, 2023, November 10, 2023, and February 14, 2024, and the gap between any two consecutive Board Meetings has not exceeded 120 days.

The following are the particulars of attendance of directors at the Board/ General Meetings of the Company and memberships of Committees and number of other directorships, of each director during the year 2023-24.

Sl. No	Name of Directors	Board Meetings		Whether attended last AGM	Committees		Directorship in other company
		Held	Attended		Membership	Chairman	
1	Shri Satish R Shetty	4	4	Yes	3	-	14
2	Shri Sunil R Shetty	4	4	No	-	-	13
3	Shri Naveen R Shetty	4	4	No	-	-	13
4	Shri Karan S Shetty	4	4	Yes	-	-	-
5	Dr. S. S. Hiremath	4	4	Yes	1	1	1
6	Shri Sankappa K Shetty	4	4	No	2	1	1
7	Shri Annappayya	4	4	No	1	2	-
8	Smt. Asarvani Alva	4	4	No	-	-	-
9	Shri Sathya M Padaki	4	2	No	-	-	-
10	Shri Ravindra Bhandary	4	-	No	-	-	-

Note: (1) Shri Sathya M Padaki has resigned w.e.f. 06.08.2023 and Shri Ravindra Bhandary has been appointed w.e.f. 14.02.2024; and

(2) Membership in Committees (Audit Committee, SGC & NRC) and Chairman includes all other public companies. Other directorship includes all companies including private limited. However, no directors of Murudeshwar Ceramics Limited are holding directorship in any other listed company except on the Board of Murudeshwar Ceramics Limited.

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

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

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

During the year under review Shri Sathya M Padaki (DIN: 08276537) has resigned from the post of Independent Director w.e.f. 06.08.2023 due to his personal and unavoidable circumstances, and due to his old age, he finds difficulties to devote as much time

and attention to discharging his role and responsibility as an Independent Director of the company. Further, he confirmed that there is no other material reasons for his resignation, other than those mentioned above.

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

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

g. Disclosure of relationships between directors inter-se:

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

3. Code of Conduct:

The Board of Directors has laid down Code of Conduct for all the Board Members and senior management personnel of the Company. In the above context, Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended 31.03.2024 and necessary declaration from Managing Director is annexed forming part of this report.

4. Audit Committee:

Audit Committee is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and rules framed thereunder with three Directors with two-thirds of the members of the Committee are Independent Directors including the Chairman who is also a Non-Executive Independent Director.

Composition	Roles, responsibilities, and the extract of terms of reference of the Committee.
1. Shri Sankappa K Shetty – Chairman; 2. Shri Satish R Shetty – Member; and 3. Shri Annappayya - Member. ➤ Shri Sankappa K Shetty - The Chairman, and Shri Annappayya - member are Non-Executive Independent Directors. ➤ Shri Satish Rama Shetty, member is the Chairman & Managing Director of the Company. The Company Secretary acts as the Secretary to the Audit Committee.	➤ Oversight of financial reporting process. ➤ Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval. ➤ Evaluation of internal financial controls and risk management systems. ➤ Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. ➤ Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same. ➤ To consider matters with respect to the Company's Code of Conduct. ➤ To Carrying out other function as is mentioned in the terms of reference of the audit committee.

During the year under review four Audit Committee Meetings were held May 29, 2023, August 05, 2023, November 10, 2023 and February 14, 2024 and gap between any two consecutive Meetings has not exceeded 120 days. The meeting of the Committees was also attended by the Chief Financial Officer and Statutory Auditors as special invitees.

5. Nomination and Remuneration Committee:

Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and rules made thereunder. The Nomination and Remuneration Committee of the Company is constituted comprising of all the Members of the Committee as Independent including the Chairman who is a Non-Executive Independent Director.

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

During the year under review the Remuneration Committee has met two times on 05.08.2023 and 14.02.2024 and all three Directors Shri Annappayya, Dr. Shivabasayya Siddaramayya Hiremath and Shri Sankappa Keremane Shetty attended the meetings. The meetings of the Committee were also attended by the Chief Financial Officer and the Chairman and Managing Director as special invitees.

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

Details of Remuneration paid/ accrued to Executive Director for the year ended 31.03.2024:

Name of Executive Director	Salary	Perquisites	TOTAL
Shri Satish R Shetty, Chairman & Managing Director	60,00,000.00	12,00,000.00	72,00,000.00
Shri Karan Satish Shetty	36,00,000.00	1,50,000.00	37,50,000.00
Total	96,00,000.00	13,50,000.00	1,09,50,000.00

Note:

- None of the above said remuneration /benefits are performance linked.
- The Executive Directors shall discharge their duties under the supervision, control, and directions of the Board of Directors from time to time. There is no service contract or agreement.
- The Term of office of the above said Directors are five years of both the Managing Director and of the Whole Time Director effective from their respective dates of appointment or re-appointment.
- Independent Directors are entitled to sitting fee of Rs.25,000/- per Board meeting and Rs.5,000/- per committee meeting attended and reimbursement of travel and other incidental expenses.

However, the said Executive Directors continue to not receive any kind of sitting fees for attending any Board and/ or Committees' meetings as they have waived their entitlement for such remuneration.

- > **Pecuniary Relationship/ transaction of Non-Executive Directors:** Non-Executive Independent Directors of the Company have no pecuniary relationship or transaction with either the Company or with any Promoters of the Company. The Non-Executive Directors are entitled to sitting fees of Rs.25,000/- for every Board meeting and Rs.5,000/- for committee meetings attended and reimbursement of travel and stay expenses for each meeting attended. However, Shri Sunil R Shetty and Shri Naveen R Shetty Directors (Relative of Shri Satish R Shetty) continue to not receive any kind of remuneration for attending any Board and/or Committee meetings as they have waived their entitlement for such remuneration.

- **Remuneration Package of Non-Executive Directors:** the remuneration packages of Non-Executive Directors have been furnished in paragraph 5.3(b) as above. No Non-Executive Directors are getting any remuneration except Independent Directors who are getting only sitting fees for attending Board Meetings and Committee's meetings.
- **Shareholding of Directors as on March 31, 2024.**

Name of Director	Nature of office of Director	Shares held	Percentage to Eq. Capital
Shri Satish Rama Shetty	Executive	11,10,903	1.84
Shri Sunil Rama Shetty	Non-Executive	11,11,102	1.84
Shri Naveen Rama Shetty	Non-Executive	11,10,502	1.84
Shri Annappayya	Non-Executive (ID)	Nil	0.00
Shri Sankappa Keremane Shetty	Non-Executive (ID)	Nil	0.00
Dr. Shivabasayya Siddaramayya Hiremath	Non-Executive (ID)	2,300	0.00
Smt. Sarvani Alva	Non-Executive (ID)	Nil	0.00
Shri Karan Satish Shetty	Executive	9,800	0.02
Shri Sathya Murthy Padaki	Non-Executive (ID)	Nil	0.00

None of the above directors holds any convertible instruments of the Company for the year ended March, 2024.

6. Stakeholders Grievance Committee:

The Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee of the Company has been constituted with two-thirds of Non-Executive Independent Directors along with the Chairman being Non-Executive Independent Director. During the year under review the committee was met on 29.05.2023.

Composition	Roles, responsibilities, and the extract of terms of reference of the Committee
1. Shri Annappayya – the Chairman; 2. Shri Sankappa Keremane Shetty - Member; and 3. Shri Satish Rama Shetty – Member The Company Secretary acts as the Secretary to the Stakeholder Grievance Committee.	<ul style="list-style-type: none"> ➤ Resolving the grievances of the members 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 of measures taken for effective exercise of voting rights by shareholders. ➤ Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent. ➤ Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

All three Directors Shri Annappayya, Shri Satish Rama Shetty and Shri Sankappa Keremane Shetty attended the meeting. The meeting of the Committee was also attended by the Chief Financial Officer as special invitee.

7. Corporate Social Responsibility (“CSR”) Committee:

The Corporate Social Responsibility (CSR) Committee of Murudeshwar Ceramics Limited (“the Company”) has been constituted in line with the provisions of Section 135 of Companies Act, 2013 and Schedule VII of the Companies Act, 2013 and the CSR Rules issued by the Ministry of Corporate Affairs on February 27, 2014. During the year under review the committee has conducted a meeting on February 14, 2024.

Composition	Roles, responsibilities, and the extract of terms of reference of the Committee
1. Shri Satish Rama Shetty – Chairman; 2. Dr. Shivabasayya Siddaramayya Hiremath – Member; and 3. Shri Naveen Rama Shetty - Member The Company Secretary acts as the Secretary to the CSR Committee.	<ul style="list-style-type: none"> ➤ Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013. ➤ Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013. ➤ Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company. ➤ Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities. ➤ Monitor the implementation of the CSR Policy from time to time. ➤ Such other functions as the Board may deem fit etc.

All three Directors namely Shri Satish Rama Shetty, Shri Naveen Rama Shetty and Dr Shivabasayya Siddaramayya Hiremath – Member attended the meeting. The meeting of the Committee was also attended by the Chief Financial Officer as special invitee.

8. Other Committees:

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

Following Directors are members of the said Executive Committee:

- 1) Shri Satish Rama Shetty; 2) Shri Sunil Rama Shetty; 3) Shri Naveen Rama Shetty; 4) Shri Annappayya, 5) Shri Karan Satish Shetty and 6) Shri Sankappa Keremane Shetty.

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

9. Meeting of Independent Directors:

The Independent Directors of the Company have been holding one meeting in a year, without the attendance of non-Independent Directors and members of management. Independent Directors on the Board to abide by the provision specified in Schedule IV of the Companies Act, which defines Code for Independent Directors. Accordingly, a meeting of Independent Directors was held by the Independent Directors on February 14, 2024. All the Five Independent Directors attended the meeting.

10. Disclosures:

- a. **Senior Management Personnel (SMP):** During the financial year ended March, 2024 the particulars of senior management including the changes therein are as follows:

Sl. No	Name	Designation
1	Narayan Manjunath Hegde	V.P. (Finance) & CFO
2	Y Vikram Hegde	President (Production)
3	Ashok Kumar	Company Secretary & Compliance Officer
4	Mahantesh A Mukare	General Manager (Marketing)
5	Prashant Shetty	General Manager (Civil Works)

During the year under review there is no change in SMP.

- b. **Details of Material Subsidiaries:** During the year under review, the company does not have any subsidiary or material subsidiary.
- c. **Agreements binding the Company:** During the year under review, the company has not entered into any agreement except an agreement for supply of power and gas with GAIL (India) Limited.
- d. **Materially significant related party transactions:** All Related party transactions have been furnished in the Note 27.3 forming part of the statement of accounts. None of the transactions stated therein may be considered to have potential conflict with the interests of the Company and all transactions are in the usual course of business of the Company. The related party transactions, in the ordinary course of business and on arm’s length basis are subject to periodical review by the audit committee. Policy for

determining 'material' subsidiaries and policy on dealing with related party transactions have already placed on the website of the company at www.naveentile.com.

- e. **Disclosures of transactions of the listed entity:** with any person or entity belonging to the promoter/promoter Group which hold(s) 10% or more shareholding in the listed entity, has been shown in Note 27.3 forming part of the statement of accounts as under for the financial year 2023-24:

(Rs. In Lakhs)

Name of Party	Sales	Purchase	Commission Receipts	Service Receipts	Closing Balance
RNS Infrastructure Limited	68.33	246.51	395.50	7435.07	1.30

- f. **Board Disclosures and Risk Management:** The Company has regular procedure of reporting to the Board on quarterly basis about all significant transactions, developments, policies etc., concerning the industry in general and the Company in particular. The Board reviews the same and also uses the same as tool of risk assessment, planning and control.
- g. **Disclosures under the SEBI Regulations 2015:** The Company has been regular in making timely disclosures as prescribed under the SEBI Regulations 2015. The Company has not been subjected to any penalties or strictures either by SEBI or by Stock Exchanges in the last three years.
- h. **Disclosures in relation to the Sexual Harassment of Women at workplace:** Your Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity. The Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its employees are not subjected to any form of harassment. Your Company has a set of Policy in this respect. The following Statement shows the details of complaint received during the FY. 2023-24.

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

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

Particulars	Amount (Rs.in lakhs)
Statutory Audit Fees	3.60
For Taxation Matter	0.60
For management services	0.60
Reimbursement of expenses	2.40

- j. **Acceptance of recommendation of committees:** The Board of Directors of the Company has always accepted the recommendations from all committees of the Board which are mandatorily required during the financial year 2023-24.
- k. **Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:** Your companies always try to comply with all laws, rules, regulations, notifications, circulars, recommendation, and advisory issued by the various statutory departments from time to time. During the year under review your company has complied with all the applicable laws from time to time.

11. General Body Meetings:

The three Annual General Meetings of the Company were held at Hubballi where registered office of the Company is situated are as under:

a. Annual General Meeting:

Year ended	Date of Meeting	Time	Special Resolutions passed
2022-23	22.09.2023	3:00 P.M.	<ol style="list-style-type: none"> To approve existing as well as new Material Related Party Transaction(s) in terms of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013. Approval for re-appointment of Shri Karan Satish Shetty (DIN: 08168200) as the Whole Time Director of the Company.
2021-22	22.09.2022	3:00 P.M.	<ol style="list-style-type: none"> To approve existing as well as new Material Related Party Transaction(s) in terms of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013; Approval under Section 180(1) of the companies Act, 2013 and rules made thereunder; Approval to make Investments, to give Loans, to give guarantees and Provide Securities under Section 186 of the companies Act, 2013 and rules made thereunder; and Approval under section 185 of the companies Act, 2013 and rules made thereunder.
2020-21	25.09.2021	3:00 P.M.	<ol style="list-style-type: none"> Reclassification of Authorised Share Capital of the company; To alter in the Capital Clause of Memorandum of Association of the Company; To adopt Memorandum of Association as per the provisions of the Companies Act, 2013; and To adopt a new set of Article of Association for the company pursuant to table F of the Schedule – 1 of the Companies Act, 2013

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

c. **Details of Special Resolution Passed during the year through Postal Ballot:** During the year under review the company has passed the following resolution through postal ballot on 23.03.2024:

➤ *Appointment of Shri Ravindra Bhandary (DIN: 07646192) as an Independent Director of the Company.*

12. Means of communication:

The quarterly, half-yearly and annual Financial Results prescribed under Regulation 33 of SEBI (LODR) Regulations 2015 were published in Financial Express in English Version and Udayavani in Vernacular text and also made available on the website of the company at www.naveentile.com and the website of exchanges at www.bseindia.com and at <https://www.nseindia.com> respectively.

a. The Presentations made to Institutional Investors were mainly on case-to-case basis and purely related to matters concerning the Company and corresponding Lenders. No analysts were involved during the year.

The Company's website www.naveentile.com contained a separate dedicated section "**Investor Relations**" where all shareholders' information are available. The Company's Annual Report and all other necessary documents prescribed under SEBI (LODR) Regulations, 2015 is also uploaded on the website in a user friendly and downloadable form.

b. All periodical compliances filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically through NSE - NEAPS and BSE - Listing Centre maintained by National Stock Exchange of India Limited and Bombay Stock Exchange Limited respectively.

c. The investor complaints are processed in a centralized web-based complaints redress system of SEBI Complaints Redress System (SCORES). The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

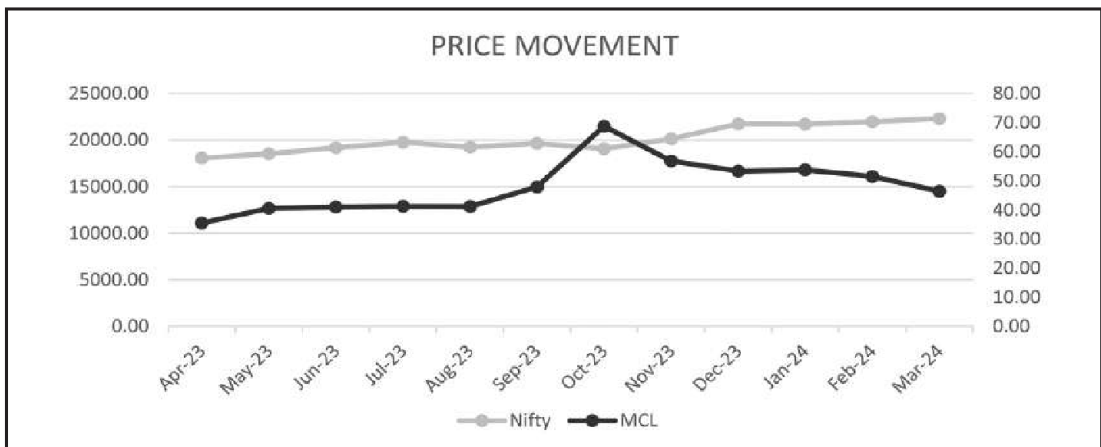
d. The Management Discussion and Analysis report is separately annexed forming part of the Directors' Report.

13. **General information to shareholders:**

- a. **Outstanding GDR/ ADR/ Warrants/ any other Convertible Instruments:** NIL
- b. **Commodity Price risk of foreign exchange risk and hedging risk:** The Company has a Risk Management policy which the company follows in case of such situation.
- c. **Plant Location:** Please refer first page of the Annual Report.
- d. **Annual General Meeting**
 - 1. **Date and time** : Saturday, 21st day of September 2024 at 3:00 p.m. IST
 - 2. **Venue** : Hotel Naveen, Unkal Lake, Hubli - Dharwad Highway, Bairidevarkoppa, Hubballi – 580025.
- e. **Financial Year** : 1st day of April to 31st day of March of succeeding year.
- f. **Books Closure** : From Saturday, September 14, 2024, to Saturday, September 21, 2024 (both days inclusive).
- g. **Stock Exch. on which listed and Stock Code**
 - 1) Bombay Stock Exchange Ltd., (Stock Code 515037)
 - 2) National Stock Exchange of India Ltd., (Symbol MURUDCERA)
- h. **Murudeshwar Ceramics Limited Vs. BSE Sensex in the financial Year 2023-24:**



i. **Murudeshwar Ceramics Limited Vs. NIFTY 50 in the financial Year 2023-24:**

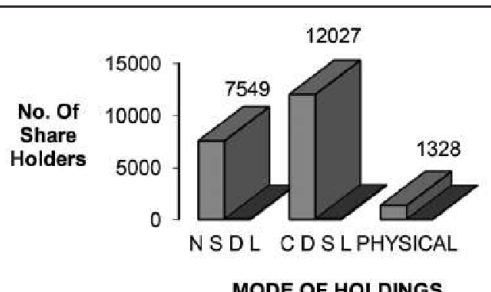


j. **Market Price Data for the FY 2023-24:**

Month		BSE		NSE	
		Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April	2023	37.01	29.40	38.10	29.55
May	2023	43.90	34.65	44.00	34.70
June	2023	52.55	39.74	52.75	40.25
July	2023	43.50	38.56	44.50	39.00
August	2023	43.36	38.56	43.20	39.05
September	2023	51.50	40.39	51.50	40.00
October	2023	71.50	45.20	69.75	63.15
November	2023	70.94	55.35	70.00	55.65
December	2023	60.39	51.36	59.30	51.50
January	2024	64.89	51.60	63.10	51.00
February	2024	60.19	49.14	60.75	49.50
March	2024	64.40	38.30	63.90	41.25

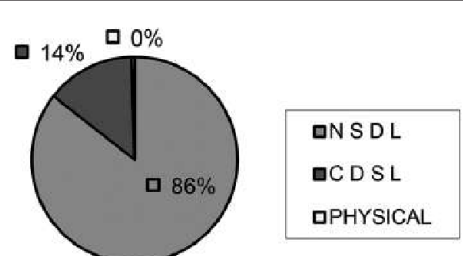
k. Share Transfer System and Dematerialization:

Category	No. Of Holders	%
N S D L	7549	36.11
C D S L	12027	57.53
DEMAT	19576	93.65
Physical	1328	6.35
Total	20904	100.00



MODE OF HOLDINGS

Category	No. Of Shares	%
N S D L	52230788	86.27
C D S L	8022257	13.25
DEMAT	60253045	99.52
Physical	292215	0.48
Total	60545260	100.00



MODE OF HOLDINGS

At the end of March 31, 2024, the Company had 20904 shareholders holding 60545260 equity shares of the Company. Out of the which 19576 members (93.65%) hold 60253045 (99.52%) shares in dematerialized form. The Balance of 1328 members (6.35%) hold 292215 equity shares (0.48%) in physical form.

From the records it is clear that 1328 (6.35%) of the total number of members holding in all 292215 (0.48%) in physical form have still not taken action to dematerialize their shares, in spite of various reminders and appeal made by the Company in the interest of such members. Since, the trading of shares of this Company is allowed by Stock Exchanges only in dematerialized form, members holding shares in physical form will lose the advantage of easy liquidity for their shares unless their shareholding is dematerialized. Such members are requested to dematerialize their shares in their own interest. Members may please contact their Depository Participants or may contact the Company Secretary for guidance.

l. Distribution of Shareholding as on 31.03.2024:

Nominal	Value of Shares	No. of Holders	%	Number of Share	
				In paid up capital	% to Paid-up Capital
Upto	5,000	17002	79.86	2294089	3.79
5,001 -	10,000	1907	9.86	1586941	2.62
10,001 -	20,000	925	4.96	1436785	2.37
20,001 -	30,000	357	1.99	926313	1.53
30,001 -	40,000	140	0.71	505274	0.83
40,001 -	50,000	139	0.72	667919	1.10
50,001 -	1,00,000	224	1.01	1751414	2.89
1,00,001 &	Above	210	0.89	51376525	84.86
T O T A L		20904	100	60545260	100.00

m. Shareholding Pattern as on 31.03.2024:

Sl. No.	Category of Shareholder	Number of shares	% Of holding
1	Financial Institutions Govt. Sponsored	-	-
2	Mutual Funds	700	0.00
3	Banks/Financial Institutions	2,600	0.00
4	NRI's	4,80,632	0.79
5	Hindu Undivided Family	6,39,885	1.06
6	Foreign Institutional Investors	900	0.00
7	Promoters, Promoter Directors & their Relatives	4,47,65,125	73.94
8	Other Bodies Corporates	6,17,420	1.02
9	Foreign Portfolio Investors	11,076	0.02
10	Resident Individuals	1,39,85,922	23.10
11	LLP	38,000	0.06
12	Independent Directors and Nominee Directors	2300	0.01
13	Key Managerial Personnel	700	0.00
T O T A L		6,05,45,260	100

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

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

- 1) At present Shri Satish Rama Shetty is the Chairman and Managing Director of the Company.
- 2) **Audit qualification:** The Company is in the regime of unqualified financial statements.
- 3) **Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee.
- 4) **Training of Board Members:** The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. All new Non-Executive Directors inducted to the Board are introduced to the Company culture with appropriate orientation sessions. Periodic presentations are made at the Board and Board's Committee Meetings on business and performance updates of the Company, global business environment, business strategy and risks involved.

- 5) **The Whistle Blower Policy:** The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. The existence of the policy/mechanism is communicated through appropriate manuals within the organization.
- 6) **Risk Management:** The Board reviews the Company's risk management practices and activities periodically. This includes comprehensive review of various risks attached to the company's business for achieving key objectives and actions taken to mitigate them. The Board review and advises on risk management aspects inter alia in the areas of leadership development, information security, project management and execution risks, contracts management risks, financial risks, forex risks and geopolitical risks.

o. General:

- 1) Members of the Company may nominate a person to whom share(s) held by such Member/s shall vest in the event of the death of such member/s. Such Nomination should be prescribed as under the Companies Act, 2013.
- 2) Common and Simplified Norms for processing investor's service request by RTA and norms for furnishing PAN, KYC details and Nomination The Securities Exchange Board of India vide its circular SEBI/HO/ MIRSD-PoD/P/CIR/2023/37 dated March 16, 2023 amongst other things has advised the Companies and Registrar and Transfer Agents as follows: i. Mandatory furnishing of PAN, KYC details and Nomination by the holders of physical securities SEBI has mandated that all holders of Physical securities in listed company shall mandatorily furnish the following documents/ details to the Registrar and Share Transfer Agent (RTA) and the RTA shall not process any service requests or complaints received from the holder(s)/ claimant(s) till documents/ details are furnished to the RTA i. Permanent Account Number (PAN). ii. Nomination – Details of nomination shall be furnished in hard copy or through electronic mode with e-signature. iii. Contact – Postal address with PIN, Mobile number, E-mail address. iv. Bank account details – Bank name and branch, bank account number, IFS Code. v. Specimen signature. The folios wherein any one of the above stated documents/ details are not available on or after October 1, 2023, the said folios shall be frozen by RTA and the said folios shall be restored to normal status only after furnishing by the holders of Physical securities all the completed documents/ details as stated. Further, those folios that were frozen on or after October 1, 2023 and continues to remain frozen till December 31, 2025, post that such securities will be referred by RTA/ Company to the administering authority under Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.
- 3) The Listing Regulations has mandated that transfer of shares would be carried out only when shares are held in dematerialised form with effect from April 1, 2019. In view of this and to facilitate seamless transfer of shares in future, Shareholders holding shares in physical form are requested to dematerialize their shares. The Company's shares are tradeable in electronic form only and has established connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Canbank Computer Services Limited, our Registrar and Share Transfer Agents. The Shareholders can visit the below mentioned websites of the Depositories viz., NSDL www.nsdl.co.in or CDSL www.cdslindia.com for understanding the procedure of dematerialization of shares. In case of any queries, you may contact the Company or its Registrar and Share Transfer Agent.
- 4) It is noticed that some of the members holding shares in dematerialized form have not updated address, e-mail, phone numbers and Bank account details with their Depositories through their DPs. Some members holding dematerialized shares request the Company for updating the particulars. Members may please note that the Company has no access to their Demat accounts and all such corrections have to be got updated by the members in their Demat accounts through their respective DPs.

p. Address for Communication:

1. Members may contact **Company Secretary at the Registered Office of the Company at Murudeshwar Bhavan, 604/B, Gokul Road, Hubli – 580 030 [Phone: 0836 – 2331615 (upto 18)], Fax: 0836 – 4252583 or at 7th Floor, Naveen Complex, No. 14, M. G. Road, Bengaluru – 560 001** (Phone-080-25584181. Fax: 080-25584017) for clarifications or grievances, if any.

2. In respect of members holding shares in physical form, all correspondences relating to share transfers, transmissions, issue of certificates on split-up/ consolidation/ replacement, change of address and dematerialisation requests may be addressed to the Share Transfer Agents – **Canbank Computer Services Limited at its Office at No. 218, “J.P. ROYALE”, 1st Floor, 2nd Main, Sampige Road, Near 14th Cross, Malleswaram, Bengaluru – 560 003.** Phone: 080-23469661 - 62, Fax: 080 – 23469667 - 68.
3. The Company has designated a separate E-mail Id – investor@naveentile.com for the benefit of members to report their grievances, if any, regarding their shareholding, transfers / transmissions and dividends.

q. Other Provisions:

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

**By and behalf of the Board
For Murudeshwar Ceramics Limited**

**By and behalf of the Board
For Murudeshwar Ceramics Limited**

Place: Bengaluru

Date: 31.07.2024

**Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526**

**Sd/-
Naveen Rama Shetty
Director
DIN: 00058779**

Auditors' certificate on compliance of Corporate Governance Provisions

To,

**The Members,
Murudeshwar Ceramics Limited.**

We have examined all relevant records of Murudeshwar Ceramics Limited (the Company) for the purpose of certifying compliance of conditions of Corporate Governance under Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended on March 31, 2024.

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

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

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

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

**Sd/-
Krishnaraj K
Partner
M. No: 217422
UDIN: 24217422BKCMTT2232**

Place : Bengaluru
Date : 29.05.2024

Declaration regarding compliance with company's code of conduct by the board members and senior management personnel

To

The Members,
Murudeshwar Ceramics Ltd.

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

This is also to confirm that the members of the Board of Directors and senior management personnel within the meaning of the said Code of Conduct have affirmed compliance with the said Code of Conduct applicable to them for the year ended 31.03.2024.

For Murudeshwar Ceramics Limited

Sd/-

Satish Rama Shetty

Chairman & Managing Director

DIN: 00037526

Place : Bengaluru

Date : 31.07.2024

Managing Director and Chief Financial Officer Certification

(In terms of sub regulation 2(a) of Regulation 33 and sub regulation (8) 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II)

To,

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

- A. We have reviewed the financial statements including Balance Sheet, Profit and Loss and the cash flow statement for the year ended 31st March 2024 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omission any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that they have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies if any in the design or operation of such Internal Controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- D. We have indicated to the Auditors and the Audit Committee;
- (1) Significant changes in Internal Control over Financial reporting if any during the year;
 - (2) Significant changes in Accounting Policies if any during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud if any of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over Financial Reporting.
- E. Further, we hereby certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

For Murudeshwar Ceramics Limited

Sd/-

Satish Rama Shetty

Chairman & Managing Director

DIN: 00037526

For Murudeshwar Ceramics Limited

Sd/-

Narayan Manjunath Hegde

VP Finance & CFO

Place : Bengaluru

Date : 29.05.2024

Independent Auditor's Report

To the Members of Murudeshwar Ceramics Limited

Report on the Audit of Standalone Ind AS Financial Statement
Opinion

We have audited the standalone Ind AS financial statements of **Murudeshwar Ceramics Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters:

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

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

Key Audit Matter	Auditor's Response
<p>1. Inventory</p> <p>The Value of inventory as at 31.03.2024 is 11581.49 lakhs which is 21.15% of total asset value. given the size of the inventory balance relative to the total asset size of the company, the valuation of inventory required significant audit attention</p> <p>As disclosed in the notes forming part of statement of accounts inventories are held at the lower of cost or net realisable value determined using weighted average cost</p> <p>The determination of valuation of inventory requires management to exercise qualitative judgments and apply assumptions</p>	<p>We have performed the following procedures w.r.t valuation of the inventory and assessment of procedures of physical verification of inventory during the period to ensure accuracy of inventory reporting</p> <p>On a sample basis, we tested the net realisable value of inventory to recent selling prices.</p> <p>We have also considered the stock audit report by Account Special Monitoring (ASM) auditors engaged by the lending bank to ensure that there are no inconsistencies in reporting</p> <p>At the year end the valuation of inventory is reviewed by management and cost of inventory is revalued where inventory is forecast to be sold below cost.</p> <p>In the view of the management, basic raw material used is clay for manufacturing of tiles and the same being a natural resources, does not have any depletion in value over the passage of time.</p>

Key Audit Matter	Auditor's Response
<p>2. Property, Plant and Equipment</p> <p>Additions to Fixed assets during the year were 7745.42 lakhs(including CWIP of the previous year). inappropriate timing of capitalization of project/inappropriate classification of categories of the items of PPE could result in material misstatement of CWIP/PPE with consequent impact on depreciation charge and results for the year</p>	<p>Our audit procedures included testing the design implementation and operating effectiveness of controls in respect of review of capitalization of assets, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation, substantive testing of appropriateness of cut-off date considered for project capitalization</p> <p>We tested the source documentation to determine whether the expenditure is of capital nature and has been approved and segregated into appropriate categories. We reviewed operating expenses to determine the appropriateness of accounting.</p>

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

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

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

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

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

Management's Responsibility for the Standalone Ind AS financial statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit / loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Materiality

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

Communication with those charged with governance

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Ind AS financial statements;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under.
- (e) On the basis of the written representations received from the Directors of the Company as on 31 March 2024 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors' report of the company.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended : In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The Company's Management and the Board of Directors have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Company's Management and the Board of Directors have represented, that, to the best of their knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
 - The company has declared and paid dividend during the financial year under audit and is in accordance with Sec.123 of the Companies Act,2013.
 - Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure B**, a statement on the matters specified in the paragraph 3 and 4 of the order.

For K G Rao & Co.
Chartered Accountants
Firm Registration Number - 010463S
Sd/-
Krishnaraj K
Partner
Membership Number - 217422)
UDIN – 24217422BKCMT6458

Place: Bengaluru
Date: 29.05.2024

Annexure - A to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **Murudeshwar Ceramics Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For K G Rao & Co.
Chartered Accountants
Firm Registration Number - 010463S

Place: Bengaluru
Date: 29.05.2024

Sd/-
Krishnaraj K
Partner
(Membership Number - 217422)
UDIN – 24217422BKCMTR6458

Annexure "B" to the Independent Auditors' Report

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

- i. In respect of the Company's Property Plant and Equipment:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
 - (B) Based on the information and explanations made available to us, the company do not have any Intangible assets.
 - (b) The property, plant and equipment were physically verified by the management in accordance with a regular program of verification which, in our opinion, provides for physical verification of fixed assets at regular intervals. According to the information and explanations given to us, no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii. (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification of the inventory.
- (b) Based on the information and explanations given to us and documents verified by us, During the year the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from State Bank of India, Bank of Baroda, Etc on the basis of security of current assets. *The quarterly returns / statements filed by the Company with Banks are not in agreement with the books of account of the Company. The quarterly details submitted to the banker and variances are as under*

MONTH	Value of Current assets as per books of accounts (Stock+WIP+Debtors-Creditors) (a)	Total Value of stocks and book debts as per statement given to bank (b)	Difference (c = a-b)
Jun-23	10,379.99	10,056.48	323.51*
Sep-23	10,957.56	9,255.93	1701.63*
Dec-23	10,771.12	9,607.57	1163.55*
Mar-24	10,729.38	9,196.73	1532.65*

iii. According to the information and explanations given to us, the company has not granted the loans/advances, secured or unsecured to the Companies, firms, Limited Liability Partnerships or any other parties except the guarantee given to RNS Infrastructure Limited as detailed under and hence reporting under clause 3(III) (a), (c), (d), (e), (f) of the Order are not applicable to the company and hence not commented there upon.

(a) (B) Details of the guarantee given by the company

Guarantee given to during the year	Guarantee as at the end of the year
Rs. 350 Crores	Rs. 350 Crores

(b) In our opinion, the investments made during the year and guarantee given are, prima facie, not prejudicial to the Company's interest

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities, as applicable.

v. The Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. We have broadly reviewed the cost records maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India U/S 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable. However, income tax TCS of Rs.98,485/- was due for payment & was outstanding for more than 6 months as on balance sheet date.

c) Details of dues of income tax, excise duty and custom duty which have not been deposited as at 31.03.2024 on account of dispute are as under:

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

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable for the year under report.

- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associate or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable for the year under report.
- x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments except term Loans which is applied for the purpose for which the same is raised.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of shares (Converted Share Warrants into Equity Shares) to Murudeshwar Power Corporation Private Limited and RNS Infrastructure Limited. The requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- xi. (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As per information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company, in determining the nature, timing and extent of our audit procedures and reporting.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. (a) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and hence reporting under the provisions of clause 3 (xvi) (a), (b) & (c) of the Order are not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit & in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the

balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act . Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In our opinion, there are no ongoing projects towards Corporate Social Responsibility (CSR) requiring a transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

xxi. Our reporting on the matters specified in paragraphs 3(xxi) and 4 read with the proviso to paragraph (2) of the Companies (Auditor's Report) Order, 2020, has been made in paragraph (2) of Other Legal and Regulatory Requirements section of our Auditor's Report on the consolidated audited financial statements.

Place: Bengaluru
Date: 29.05.2024

**For K G Rao & Co.
Chartered Accountants
Firm Registration Number - 010463S**

**Sd/-
Krishnaraj K
Partner
(Membership Number - 217422)
UDIN – 24217422BKCMT6458**

Audited Financial Statement from 01st APRIL 2023 To 31st MARCH, 2024
Standalone Balance Sheet as at 31st March, 2024

(Rs. in Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
ASSETS			
1 - Non Current Assets			
(a) Property, plant and equipment	3	36,013.97	29,542.84
(b) Capital work-in-progress		1,044.58	7,832.96
(c) Investment Property		115.35	117.79
(d) Goodwill		-	-
(e) Other Intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological Assets Other than bearer plants		-	-
(h) Financial assets			
(i) Investments	4	923.52	923.52
(ii) Trade Receivables		-	-
(iii) Loans		-	-
(i) Deferred tax Assets (Net)		-	-
(j) Other non-current assets	5	269.65	266.20
Total non - current Assets (A)		38,367.08	38,683.31
2 - Current Assets			
(a) Inventories	6	11,581.49	11,799.76
(b) Financial assets			
(i) Investments		-	-
(ii) Trade Receivables	7	1,643.16	1,646.19
(iii) Cash and cash equivalents	8	124.86	50.54
(iv) Bank balances other than (iii) above	8A	1,314.15	123.24
(v) Loans		-	-
(vi) Others		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	9	1,737.97	1,728.16
Total current assets (B)		16,401.63	15,347.90
Total Assets (A+B)		54,768.70	54,031.21
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	6,054.53	5,769.53
(b) Other equity		30,416.96	29,566.72
Total equity		36,471.49	35,336.25

**Audited Financial Statement from 01st APRIL 2023 To 31st MARCH, 2024
Standalone Balance Sheet as at 31st March, 2024**

(Rs. in Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	4,190.64	5,448.44
(ia) Lease Liabilities	13	310.70	227.60
(ii) Trade payables	13	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Provisions			
(c) Deferred Tax Liabilities (Net)	12	1,935.36	1,500.63
(d) Other Non Current Liabilities			
Total non-current liabilities		6,436.70	7,176.67
2 - Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	6,529.37	6,361.71
(ia) Lease Liabilities			
(ii) Trade payables	14	2,495.27	2,754.53
(A) total outstanding dues of micro enterprises and small enterprises		123.88	11.91
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,371.39	2,742.62
(b) Other current liabilities	16	2,562.93	2,213.04
(c) Provisions	17	272.94	189.01
(d) Current Tax Liabilities (Net)		-	-
		11,860.51	11,518.29
Total equity and liabilities		54,768.70	54,031.21

In terms of our report attached

For K.G.RAO & Co.

Chartered Accountants

ICAI FIRM REGN. No.: 010463S

Sd-

KRISHNARAJ K

Partner

Membership No.:217422

UDIN : 24217422BKCMTR6458

Place : Bengaluru

Date : 29.05.2024

For and on behalf of the Board of Directors

MURUDESHWAR CERAMICS LIMITED

Sd-

SATISH R SHETTY

Chairman & Managing Director

(DIN 00037526)

Sd-

N M HEGDE

Vice President(Finance) & CFO

Sd-

NAVEEN R SHETTY

Director

(DIN 00058779)

Sd-

ASHOK KUMAR

Company Secretary

Audited Financial Statement from 01st APRIL 2023 to 31st March, 2024
Standalone Statement of Profit and Loss for the year ended 31st March, 2024 (Rs. in Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
I. REVENUES:			
Revenue from operations	18	18,630.82	17,240.68
Other Income	19	444.39	100.11
Total Income		19,075.21	17,340.79
II. EXPENSES:			
Cost of materials consumed	20	4,515.23	3,889.67
Purchase of Stock in Trade		822.73	1,204.31
Changes in inventory of Finished Goods and Work-In Progress	21	(906.38)	(675.28)
Employee benefit expenses	22	2,743.67	2,515.14
Finance costs	23	1,103.82	1,336.41
Depreciation and amortisation expense	3	1,200.00	1,109.70
Other expenses	24	8,447.22	7,223.76
Total Expenses		17,926.30	16,603.72
III. Profit/(loss) before exceptional items and tax (I-II)		1,148.90	737.07
IV. Tax Expense			
Current Tax		201.41	120.83
Deferred tax		344.07	76.77
Deferred Tax Provision for Earlier years Reversed			
Less : MAT Credit Entitlement		201.41	120.83
Add : MAT Credit Reversed		292.07	-
Total tax expense		636.14	76.77
V. Profit/(loss) for the period from continuing operations		512.76	660.30
VI. Other comprehensive income			
(a) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(36.06)	(57.48)
- Others			
(ii) Income tax relating to items that will not be reclassified to profit or Loss		9.37	14.94
(b) (i) Items that may be reclassified to profit or loss		-	-
- Exchange differences in translating financial statements of a foreign operation		-	-
- Debt instruments through other comprehensive income			
Total other comprehensive income		(26.69)	(42.53)
VII. Total comprehensive income for the period (V+VI)		486.07	617.77
<i>(Comprising Profit/(Loss) and Other Comprehensive Income for the year)</i>			
VIII. Earnings per equity share (for discontinued & continuing operation):			
Basic Rs.		0.84	1.08
Diluted Rs.		0.80	1.03

In terms of our report attached

For **K.G.RAO & Co.**

Chartered Accountants

ICAI FIRM REGN. No.: 010463S

Sd-
KRISHNARAJ K

Partner

Membership No.:217422

UDIN : 24217422BKCMTR6458

Place : Bengaluru

Date : 29.05.2024

For and on behalf of the Board of Directors

MURUDESHWAR CERAMICS LIMITED

Sd-
SATISH R SHETTY
Chairman & Managing Director
(DIN 00037526)

Sd-
NAVEEN R SHETTY
Director
(DIN 00058779)

Sd-
N M HEGDE
Vice President(Finance) & CFO

Sd-
ASHOK KUMAR
Company Secretary

**STANDALONE CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
FOR THE PERIOD FROM APRIL 2023 to MARCH - 2024**

(Rs. in Lakhs)

	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax & extra - ordinary items	1,148.90	737.07
Adjustments for:		
Net Profit/(Loss) of the Associate	-	-
Depreciation	1,200.02	1,109.70
Interest Paid	885.97	1,017.82
Rent Received	(6.53)	(12.23)
Loss on Sale of Fixed Assets	37.58	-
Profit on Sale of Assets	(17.99)	-
Interest Income on Investments	(20.94)	(21.25)
Dividend received	(29.79)	(63.30)
Other Income	(350.00)	
Provision for taxation	(555.56)	-
Remeasurement of defined benefit plans	(36.06)	(57.48)
Operating profit before working capital changes	2,255.60	2,710.33
Adjustments for:		
Increase/(Decrease) in Long Term Liability	517.83	54.94
Decrease / (Increase) in Inventories	218.27	(586.03)
Decrease / (Increase) in Trade receivables	3.03	562.57
Increase / (decrease) in Trade Payables	(259.26)	862.48
Decrease/(Increase) in Short term loans & advances		
Decrease/(Increase) in Other Current Assets	145.72	326.75
Decrease/(Increase) in Long Term Loans & Advances	(3.45)	19.18
Increase / (decrease) in Other Current Liabilities	349.89	409.60
Increase / (decrease) in Short Term Provisions	12.72	5.45
Cash generated from operations	3,240.35	4,365.27
Taxes paid	(155.53)	(124.80)
Cash flow before extra - ordinary item		
Net Cash from Operating Activities	3,084.82	4,240.47
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(957.04)	(8,237.15)
Sale of fixed assets	57.12	-
Interest received	20.94	21.25
Dividend received	29.79	63.30
Rent received	6.53	12.23
Other Income	350.00	
Investments	-	-
Net cash flow from investing activities	(492.66)	(8,140.37)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term Borrowings repaid	(1,257.80)	3,856.03
Short Term Borrowings repaid	167.66	(149.59)
Proceeds from Issue of Share Capital	1,339.50	494.53
Issue of Share Warrants	(401.85)	278.22

IND AS Transition Reserve	-	7.66
Change in reserve	-	-
Dividend Paid	(288.48)	
Interest paid	(860.32)	(992.02)
Interest on Lease Liabilities	(25.65)	(25.79)
Net cash used in Financial activities	(1,326.93)	3,469.04
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,265.22	(430.86)
CASH AND CASH EQUIVALENTS AS ON 31.03.2023	173.79	604.65
CASH AND CASH EQUIVALENTS AS ON 31.03.2024	1,439.01	173.79

NOTES TO THE CASH FLOW STATEMENT
CASH AND CASH EQUIVALENT:

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

	2023-24	2022-23
Cash on hand and balances with banks	1,439.01	173.79
Short Term investments	-	-
Cash and cash equivalents effect of changes in Exchange rates	-	-
Cash and cash equivalents as restated	1,439.01	173.79

In terms of our report attached

For K.G.RAO & Co.

Chartered Accountants

ICAI FIRM REGN. No.: 010463S

Sd-

KRISHNARAJ K

Partner

Membership No.:217422

UDIN : 24217422BKCMTR6458

Place : Bengaluru

Date : 29.05.2024

For and on behalf of the Board of Directors

MURUDESHWAR CERAMICS LIMITED

Sd-

SATISH R SHETTY

Chairman & Managing Director

(DIN 00037526)

Sd-

NAVEEN R SHETTY

Director

(DIN 00058779)

Sd-

N M HEGDE

Vice President(Finance) & CFO

Sd-

ASHOK KUMAR

Company Secretary

CERTIFICATE

We have examined the above Cash Flow Statement of Murudeshwar Ceramics Ltd., for the year ended 31.03.2024 and certify that the said statement has been prepared by the Company in accordance with IND AS-7 issued by the Institute of Chartered Accountants of India and as per requirement of Listing Agreements with Stock Exchanges and is based on and is in agreement with Profit & Loss Account and Balance Sheet of the Company for the year ended on 31.03.2024.

For K.G.RAO & Co.

Chartered Accountants

ICAI FIRM REGN. No.: 010463S

Sd-

KRISHNARAJ K

Partner

Membership No.:217422

Place : Bengaluru

Date : 29.05.2024

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)**Note: 1 Corporate Information**

Murudeshwar Ceramics Limited (the Company) was established in the year 1983. The Company is manufacturing and trading Ceramic and Vitrified floor & wall Tiles. The Registered Office of the Company is at 604/B, Murudeshwar Bhavan, Gokul Road, Hubli – 580030 and the Corporate Office is at Naveen Complex, 7th Floor, 14, M.G.Road, Bengaluru - 560001. The Company is having 2 manufacturing plants at Sira, Dist. Tumkur and Karaikal, Pondicherry. The Company trading Vitrified Tiles and Ceramic Tiles sourced through other manufacturers as well. The Company's products are branded as "Naveen Ceramic Tiles" and "Naveen Diamontile". The Company is having well established marketing network all over the country.

Note: 2 Significant Accounting Policies**1. Basis of Preparation**

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

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

Functional and presentation currency

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

Basis of measurement

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

2. Use of estimates and judgment

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

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

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

Current / Non-Current Classification

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)**3. Revenue**

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

4. Expenses

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

5. Property, plant and Equipment

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

Capital Work in Progress

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

Depreciation commences when the assets are ready for their intended use

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)

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

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

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

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

Derecognition

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

6. Inventories

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

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

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

7. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain

The Company's lease asset classes primarily consist of leases for shops. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)

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

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

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

8. Investments in associate company

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

While preparing the consolidated financial statements, the company has followed Equity Method as per INDAS 28 "Investment in Associates & Joint Ventures".

9. Taxes on Income

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax

Current Tax

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

Deferred Tax

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

10. Financial Instruments

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

The Disclosure as per IND AS is given as under –

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)
As on 31.03.2024 (Rs. In Lakhs)

Cash and cash equivalents including other bank balances	Note	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
Financial Assets:						
Trade receivables	7	-	-	1643.16	1643.16	-
Cash and cash equivalents including other bank balances	8	-	-	1439.01	1439.01	-
Investments	4	-	-	923.52	923.52	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	4005.69	4005.69	-
Financial Liabilities:						
Trade payables	14	-	-	2495.27	2495.27	-
Lease Liabilities	13	-	-	310.70	310.70	-
Other financial liabilities	15	-	-	6529.37	6529.37	-
Total Financial Liabilities		-	-	9335.34	9335.34	-

As on 31.03.2023 (Rs. In Lakhs)

Cash and cash equivalents including other bank balances	Note	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
Financial Assets:						
Trade receivables	7	-	-	1646.19	1646.19	-
Cash and cash equivalents including other bank balances	8	-	-	173.79	173.79	-
Investments	4	-	-	923.52	923.52	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	2743.50	2743.50	-
Financial Liabilities:						
Trade payables	14	-	-	2754.52	2754.52	-
Lease Liabilities	13	-	-	227.60	227.60	-
Other financial liabilities	15	-	-	6361.70	6361.70	-
Total Financial Liabilities		-	-	9343.82	9343.82	-

Other Financial Instruments and Cash & Cash Equivalents

The Company held cash and cash equivalents of Rs.124.86 Lakhs (31st March 2023 - Rs.50.54 Lakhs). The cash and cash equivalents are held with banks with high rating. The Company held deposits with banks and financial institutions of Rs.1314.15 Lakhs (31st March 2023 - Rs.123.24 Lakhs). In order to manage the risk, Company places deposits with only high rated banks/institutions.

(Amount in Rs. Lakhs)

Particulars	As at	As at
	31-Mar-24	31-Mar-23
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL).		
Non-current Investment	923.52	923.52
Non-current Loans & Advances	200.50	200.50
Other Non-Current Financial Assets	69.15	65.70
Cash & Cash Equivalent	124.86	50.54
Bank balances other than cash and cash equivalents	1314.15	123.24

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)

Current Loans & Advances	-	-
Other Current Financial Assets	1,737.97	1728.16
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)	-	-
Trade Receivables	1643.16	1646.19
Total	6013.31	4737.85

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

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

Fair Value Hierarchy

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

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

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

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

Measurement of fair value of financial instruments

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

Financial Risk Management

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

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

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

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

- a) Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of market interest risk. The Company's exposure to risk of changes in market interest rates is minimal. The company has not used any interest rate derivatives.
- b) Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The company has not entered into any forward exchange contracts/derivative contracts.
- c) Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The company has not invested in any traded equity instruments or bonds.

2. Credit risk

The credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from financial assets such as trade receivables, other balances with banks, loans and other

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)

receivables. The Company has adopted a policy of only dealing with the counterparties that have sufficiently high credit ratings. The exposure and credit ratings of the counterparties are continuously monitored, and aggregate value of transactions is reasonably spread amongst the counterparties. There are no cases of historical defaults and hence no provision for expected credit loss is necessary.

3. Liquidity risk

The liquidity risk is the risk that the company will encounter difficulty in raising funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. The company has established liquidity risk management framework for managing its short term, medium term and long term and liquidity management requirements. The company has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

11. Borrowings and Borrowing Cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

12. Provision and contingencies

The company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resource embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

13. Cash and cash equivalents

Cash and cash equivalent for the purpose of balance sheet comprises of cash and banks balances.

14. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events of bonus issue and share split.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

15. Employee benefits

(i) **Short term Employee benefits:** Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance – linked rewards falling due wholly within the twelve months or rendering the service are classified as short term employee benefits and are expensed in the period in which employee renders the related service.

(ii) **Post-employment benefits**

A. **Defined contribution plans:** The company's superannuation scheme, the state governed provident fund scheme, employee insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under such schemes is recognized during the period in which the employee renders the related service.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)

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

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

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

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

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

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

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

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

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

16. Investment Property:

The disclosure as per IND AS is as under –

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

Rental income from Investment Property	6,67,500
Direct Operating Expenses arising from Investment Property generating rental income	
Municipal Tax/Property Tax	16,023
Flat Maintenance Charges	1,13,548
Direct Operating Expenses arising from Investment Property not generating rental income	NA

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)

4. The existence and amounts of restrictions on the reliability of the Investment Property or remittance of income and proceeds of disposals – Nil
5. Contractual obligation to purchase, construct or develop investment property or for repair and maintenance or enhancements - Nil.
6. Asset Value and Depreciation Disclosure:
 - Depreciation method used: Straight Line Method
 - Useful life of Depreciation: 50 Years
 - Asset Schedule

Property	Opening as on 01.04.2023 [A]	Addition [B]	Deletion [C]	Depreciation for the year [D]	Closing value as on 31.03.2024 E=[A+B-C-D]
FLAT AT BANGALORE - JUNGFRAU BLOCK NO. 306	39,26,347	-	-	81,375	38,44,972
FLAT AT BANGALORE - JULIAN BLOCK NO. 307	39,26,347	-	-	81,375	38,44,972
FLAT AT BANGALORE - ARONIA BLOCK NO. 501	39,26,347	-	-	81,375	38,44,972
TOTAL					1,15,34,916

7. Fair Value of Investment Property
 - Since the Investment property is valued following the cost model, no fair valuation is carried out.

17. Segment reporting policies

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

18. Events after the reporting date

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

19. Government Grants/Subsidy

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

20. The Company has been maintaining its books of accounts in the Odoo 16 which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021.

21. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under and only when, the Group's obligations are discharged, cancelled or have expired. Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

22. Additional Reporting requirement as per amendment in Schedule III of the Company's Act 2013:
1. Details of Benami Property held:

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

2. Title deeds of immovable properties not held in name of the company:

There are no immovable properties which are not held in name of the company. In case of leasehold property lease deeds are duly executed in favour of company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)
3. Valuation of Property, Plant & Equipment, intangible asset and investment property:

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

4. The fair value of Investment Property is based on prevailing Government prescribed value of the property which is not based on valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
5. **The details of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and other related parties are as below:**

(Amount in Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters		-
KMPs		-
Related Parties		-
NIL		

6. Borrowings from Banks or Financial institution on the basis of Security of Current Assets:

The company has availed short term loans/working capital facilities from banks or financial institution on the basis of security of Current Assets. The quarterly details submitted to the banker are not in agreement with books of accounts, the variances as detailed under-

(Rs. In Lakhs)

MONTH	Value of Current assets as per books of accounts (Stock+WIP+Debtors-Creditors) (a)	Total Value of stocks and book debts as per statement given to bank (b)	Difference (c = a-b)
Jun-23	10,379.99	10,056.48	323.51*
Sep-23	10,957.56	9,255.93	1701.63*
Dec-23	10,771.12	9,607.57	1163.55*
Mar-24	10,729.38	9,196.73	1532.65*

Reason for variance:

* *Receivables/inventories outstanding for more than 6 months are not considered for Drawing Power calculation for working capital. As a result, total value of stocks and book debts submitted to the banker is less than the value appearing in the books of accounts.*

7. Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

8. Relationship with struck off Companies:

The Company has no transactions with the companies struck off under the Companies Act, 2013.

9. Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

10. Undisclosed Income:

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

11. Details of crypto currency of virtual currency:

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)
12. Utilisation of Borrowed funds and share premium:

The Company has utilised borrowed fund for the purpose as specified in the terms of sanctions.

13. Registration of charges or satisfaction with Registrar of Companies:

No charges or satisfaction are pending to be registered with Registrar of Companies except the following –

For the following loans, Charge creation is yet to be made with RoC.

Sl. No	Loan Amount (In Lakhs)	Bank/Financial Institution	Reason for Not Creating Charge
NIL			

For the following loans, the satisfaction of charge is yet to be registered with RoC

Sl. No.	Charge ID	Loan Amount (Charge Created for) (Rs)	Bank/Financial Institution	Reason for delay
1	100228171	28,75,920/-	Sundaram finance limited	The loan closure & clearance related documents are yet to be received from the lender.
2	100359329	1,05,00,000/-	Bank of Baroda	The loan closure & clearance related documents are yet to be received from the lender.

14. Corporate Social Responsibility:

The details of Contribution to Corporate Social Responsibility are as follows:

- Average Net Profits/ (Loss) of the Company for the last three financial years: **Rs. (161.84) lakhs.**
- Prescribed CSR Expenditure (Two percent of the amount as in above): **Rs. (3.24) lakhs.**

Amount Required to be spent	Amount of Expenditure Incurred	Shortfall at 31.03.2024	Total of Previous Years Shortfall	Reasons for Shortfall	Nature of CSR Activities	Remark
Not Applicable for the reporting period (CSR Expenditure is in negative)						

15. Financial ratios are separately enclosed.

For and on behalf of
K G Rao & Co.,
Chartered Accountants
FRN: 010463S

Sd-
Krishnaraj K.
Partner
M. No. 217422

Place: Bengaluru
Date: 29.05.2024

By Order of the Board
For Murudeshwar Ceramics Limited

Sd-
Satish R Shetty
Chairman & Managing Director
(DIN 00037526)

Sd-
Naveen R Shetty
Director
(DIN 00058779)

Particulars	FY 2023-24	FY 2022-23	Variation (Increase/ Decrease as a % of last year ratio)	REMARKS - (If variation is more than 25%)
1. Current Ratio				
Current assets	16,401.63	15,347.90		
Current liabilities	11,860.51	11,518.29		
	1.38	1.33	3.78	
2. Debt Equity Ratio				Rs. 1,043.67 lacs loans have been repaid during the year.
Total Debts	4,190.64	5,448.44		No additional loan has been availed during the year.
Shareholders Equity	36,471.49	35,336.24	(25.48)	
	0.11	0.15		
3. Debt Service Coverage Ratio				
Earnings available for debt service	2,836.20	3,106.41		
Debt Service	2,147.49	2,653.62		Term Loans & GECL Loans have been repaid
	1.32	1.17	12.82	
4. Return on Equity				
Net Profits after taxes – Preference Dividend (if any)	486.07	617.77		
Average Shareholder's Equity	35,903.87	34,637.18		There is an increase in profitability for the current year.
	0.01	0.02	26.31	
5. Inventory Turnover Ratio				
Sales	18,630.82	17,240.67		
Average Inventory	11,690.63	11,506.75		There is increase in sales turnover in the Current year compare to previous year
Average inventory is (Opening + Closing balance / 2)	1.59	1.50	6.36	
6. Trade receivables turnover ratio				
Net Credit Sales	18,630.82	17,240.67		The receivable is reduced even though there is increase in sales turnover in the current year.
Avg. Accounts Receivable	1,644.68	1,927.48		
Average trade debtors = (Opening + Closing balance/2)	11.33	8.94	26.64	
7. Trade Payables turnover ratio				
Net Credit Purchases	10,529.46	10,392.00		
Average Trade Payables	2,624.90	2,323.29	(10.32)	
	4.01	4.47		
8. Net capital turnover ratio				
Net Sales	18,630.82	17,240.67		
Working Capital	4,541.13	3,829.61		Slight decrease in Working Capital Gap
Working capital shall be calculated as current assets minus current liabilities	4.10	4.50	(8.87)	
9. Net Profit Ratio				
Net Profit	486.07	617.76		
Net Sales	18,630.82	17,240.67		
	0.03	0.04	27.19	Profitability is at same level

10. Return on Capital Employed

Earning before interest and taxes	2,252.72	2,073.48	
Capital Employed	42,597.48	42,285.29	
Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability			
	0.05	0.05	(7.85)

11. Return on Investment

{MV(T1) – MV(T0) – Sum [C(t)]}	-0.59%	-1.18%	
--------------------------------	--------	--------	--

$$\frac{\{MV(T1) - MV(T0) - \sum [C(t)]\}}{\{MV(T0) + \sum [W(t) * C(t)]\}}$$

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1
and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$

Note on variance:

The variance of various parameters (Ratios) over 25% for the year 2022-23 over the previous year is mainly due to the poor sales performance of the company in the first two quarters of previous year on account of outbreak of COVID 19 pandemic. The improvement in sales performance this year have made substantial impact on various ratios in the current year

Notes forming part of the financial statements
Note 03: Property, Plant & Equipment and Other Intangible Assets
 Changes in the carrying value of property, plant and equipment for the period ended March, 2024:

(Rs in lakhs)

Particulars	Property, Plant and Equipment										Other Intangible Asset				Total
	Lease- hold im- prove- ments	Building	Plant and equip- ment	Com- put- ers	Office equip- ment and fix- tures	Fur- niture and fix- tures	Vehi- cles	Right to use Assets	Total	In- vest- ment Prop- erty	Good- will	Other Intan- gible assets	Intangible assets under develop- ment	Biological Assets Other than bearer plants	
Gross carrying value as of April 1, 2023	8,070.69	9,458.48	16,948.20	53.17	103.40	118.95	966.02	439.90	36,158.81	134.27					36,293.08
Additions	13.87	678.73	6,858.53	2.73	26.26	1.30	4.00	160.00	7,745.42	-					7,745.42
Deletions	-	-	116.48	-	-	-	-	-	116.48	-					116.48
Gross carrying value as of March 31, 2024	8,084.56	10,137.21	23,690.25	55.90	129.67	120.25	970.02	599.90	43,787.75	134.27					43,922.02
Accumulated depreciation as of April 1, 2023	-	1,327.05	4,749.12	45.57	34.73	62.55	158.97	237.98	6,615.97	16.48					6,632.45
Depreciation	-	203.60	765.99	4.54	19.50	9.20	117.72	77.02	1,197.58	2.44					1,200.02
Accumulated depreciation on deletions	-	-	39.77	-	-	-	-	-	39.77	-					39.77
Accumulated depreciation as of March 31, 2024	-	1,530.65	5,475.34	50.11	54.23	71.75	276.69	315.01	7,773.78	18.92					7,792.70
Carrying value as of March 31, 2024	8,084.56	8,606.55	18,214.91	5.79	75.44	48.50	693.32	284.89	36,013.97	115.35					36,129.32
Carrying value as of March 31, 2023	8,070.69	8,131.43	12,199.08	7.60	68.67	56.40	807.05	201.92	29,542.84	117.79					29,660.63

CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,044.58	-	-	-	1,044.58
Advance for purchase of Land	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)
4. Investments

Particulars	As at 31 March, 2024				As at 31 March, 2023			
	Equity Instruments	Govt & Trust Securities	Debenture & Bonds	Total	Equity Instruments	Govt & Trust Securities	Debenture & Bonds	Total
Investments in								
a) Subsidiaries								
b) Associates	908.03			908.03	908.03	-	-	908.03
c) Joint Ventures					-	-	-	-
d) Structured Entities	2.00	0.49	13.00	15.49	2.00	0.49	13.00	15.49
Total	910.03	0.49	13.00	923.52	910.03	0.49	13.00	923.52
Of Above								
Quoted Investments	-	-	-	-	-	-	-	-
Market Value								
Unquoted Investments	910.03	0.49	13.00	923.52	910.03	0.49	13.00	923.52
Impairment								

Other Financial Assets

Bank Deposits with more than 12 month Maturity

5. Other Non Current Assets	As at 31.03.2024	As at 31.03.2023
(i) Capital Advances/Prepaid Rent	16.13	13.89
(ii) Prepaid Interest - IND AS	4.30	4.30
(iii) Advances against purchase of shares	-	-
(iv) Security Deposits	48.72	47.51
	69.16	65.71
5. Non-Financial Assets :		
(i) PLA & Cenvet Credit	-	-
(ii) VAT credit receivable	19.66	19.66
(iii) Service Tax credit receivable	-	-
(iv) Income Tax Refund Receivable	180.83	180.84
	200.50	200.50
Total	269.65	266.20

6. Inventories

	As at 31 March, 2024	As at 31 March, 2023
Raw Materials	2,786.47	3,663.12
Work In Progress	931.46	2,061.08
Finished Goods	6,099.35	4,046.73
Stock in Trade	113.20	307.35
Stores and Spares	1,651.01	1,721.48
Loose Tools	-	-
Others	-	-
Total	11,581.49	11,799.76
Goods in Transit		
Method of Valuations	Weighted Average	Weighted Average

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)
Note 7. Trade Receivables

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	474.40	450.44
Doubtful	-	-
	474.40	450.44
Less: Provision for doubtful trade receivables	-	-
	474.40	450.44
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,168.76	1,195.75
Doubtful	-	-
	1,168.76	1,195.75
Less: Provision for doubtful trade receivables	-	-
	1,168.76	1,195.75
Total	1,643.16	1,646.19

Note: Trade receivables include debts due from:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Private companies in which any director is a director or member		
RNS Infrastructure Limited	-	-
Murudeshwar Power Corporation Pvt. Ltd	-	-
Naveen Hotels Pvt. Ltd	-	-
	-	-

Particulars	Outstanding for following periods from due date of payment As at 31 March, 2024				
	Less than 6 months	6 months -1 year	1-2 YEARS	2-3 years	Total
(i) Undisputed Trade Receivables - considered good	1,168.77	169.83	250.52		1,589.12
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-			-
(iii) Undisputed Trade Receivables - credit impaired		-			-
(iv) Disputed Trade Receivables - considered good			54.05		54.05
(v) Disputed Trade Receivables - which have significant increase in credit risk		-			-
(vi) Disputed Trade Receivables - credit impaired		-			-

8. Cash and Cash equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with bank(of nature cash and Cash Equivalents)		
- Current Accounts	114.59	38.59
- Cash on hand	10.27	11.96
Total	124.86	50.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)
8A. Bank balances other than Cash and Cash equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
Earmarked Funds- unpaid dividends*	2.85	-
Margin Money	1311.30	123.24
Total	1314.15	123.24

* These balances are not available for use by the Company and not due for deposit in the Investor Education and Protection Fund.

NOTE : 9 OTHER CURRENT ASSETS		
(i) Capital Advances	-	-
(ii) Advances other than Capital Advances		
Security Deposits	563.52	563.48
Advances to Related Parties		
Other Advances		
Advances to		
Directors	-	-
Officers	-	-
By Firms (Related party)	-	-
Private Companies (Related party)	-	-
Interest Accrued on Deposits	72.97	65.21
Total	636.49	628.69
(iii) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	359.19	329.53
Doubtful	-	-
Total	359.19	329.53
iv) Balances with government authorities		
Unsecured, considered good		
(i) GST Credit	(0.32)	90.52
(ii) PLA & Cenvet Credit	-	-
(iii) VAT credit receivable	-	-
(iv) Service Tax credit receivable	-	-
(v) Income Tax Refund Receivable	-	-
Total	(0.32)	90.52
v) Prepaid expenses - Unsecured, considered good	61.06	86.08
vi) Others - Advances		
Secured, considered good		
For supply of goods and rendering services	525.57	468.53
Advance Payment of Income Tax	155.98	124.81
	681.55	593.34
Less: Provision for other doubtful loans and advances	-	-
Total	681.55	593.34
Total	1,737.97	1,728.16

(Rs. in Lakhs)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

Particulars	Equity share capital	Other Equity Reserve & Surplus					Total equity attributable to equity holders of the Company	
		Money Received Against Share warrant	Securities Premium	Retained Earnings	General Reserve	Capital/ Capital Redemption Reserve		IND AS Transition Reserve
Restated Balance as on April 1, 2022	5,494.79	123.63	13,329.24	476.46	12,795.85	1,615.81	102.31	33,938.09
Changes in equity share capital	274.74	(123.63)	219.79	-	-	-	7.66	378.56
Fresh Share Warrant issued during the year		401.85		617.76				401.85
Profit for the year								617.76
Remeasurement of the net defined benefit liability/asset, net of tax effect								-
Dividends (Including Corporate Dividend Tax)								-
Balance as of March 31, 2023	5,769.53	401.85	13,549.04	1,094.22	12,795.85	1,615.81	109.97	35,336.25
Changes in equity share capital	285.00	(401.85)	1,054.50					937.65
Fresh Share Warrant issued during the year								
Profit for the year				486.07				486.07
Remeasurement of the net defined benefit liability/asset, net of tax effect								
Interim Dividend (Including Corporate Dividend Tax)								
Final Dividends (Including Corporate Dividend Tax)				288.48				288.48
Balance as of March, 2024	6,054.53	-	14,603.54	1,291.81	12,795.85	1,615.81	109.97	36,471.49

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

I. Equity Share Capital:	Number of Equity Shares	Amount Rs. In lakhs
(a) The number of shares authorised;	7,16,20,000	7162.00
(b) the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;		
Issued	6,05,45,260	6,054.53
subscribed and fully paid	6,05,45,260	6,054.53
subscribed but not fully paid (Shares are forfeited and the amount received are disclosed under Capital reserve)	24,857	0.78
(c) par value per Share;	Rs.	10.00
(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;		
at the beginning fully paid up	5,76,95,260	
at the end fully paid up	6,05,45,260	
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;	Not Applicable	
(f) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;	Not Applicable	
(g) shares in the company held by each shareholder holding more than five per cent. Shares specifying the number of shares held;	Not Applicable	
RNS INFRASTRUCTURE LIMITED	1,28,52,966	21.23%
MURUDESHWAR POWER CORPORATION PRIVATE LIMITED	2,31,62,172	38.26%
(h) shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts;	Not applicable	
(i) for the period of five years immediately preceding the date at which the Balance Sheet is prepared		
• number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;	Not applicable	
• aggregate number and class of shares allotted as fully paid up by way of bonus shares; and	Not applicable	
• aggregate number and class of shares bought back;	Not applicable	
(j) terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date;		
2850000 warrants allotted by the Board on 16.12.2022 in terms of approval accorded by the members on 07.12.2022 by postal ballot and these warrants have already been converted in equal number of equity shares at the Board Meeting held on 14.02.2024		
(k) calls unpaid (showing aggregate value of calls unpaid by Directors and officers);	Not applicable	
(l) forfeited shares (amount originally paid up).	No. of Shares	Rs. In Lakhs
	24,857	0.78

(m) A company shall disclose Shareholding of Promoters as under:

Shares held by promoters at the end of the year

RNS Infrastructure Limited	1,28,52,966	21.23		
Murudeshwar Power Corporation Private Limited	2,31,62,172	38.26	P.Y	% Change during the year
Others	87,49,987	14.45		
Total	4,47,65,125	73.94	72.65	1.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

11. Borrowings	As at 31 March, 2024	As at 31.03.2023
Bonds and Debentures	-	-
Term Loans		
From Banks		
Secured	3,876.28	5,134.08
Unsecured	-	-
From Others	314.36	314.36
Deposits		
Loans from Related parties	-	-
Long term maturities of Finance lease obligations	-	-
Liability component of Compound Finance Instruments	-	-
Other loans	-	-
	4,190.64	5,448.44

The Term Loans from Banks are repayable in monthly instalments. Interest is payable On monthly basis. The Term Loans from HDFC Bank is secured by exclusive first charge created on immovable property and Plant and machinery at Sira Plant. The Working Capital Loans from banks namely Canara Bank, Punjab National Bank and HDFC Bank are secured by first charge created on the immovable properties, Stock and Book Debts and second charge created on movable Plant & Machinery except the exclusive charge created in favour of HDFC Bank for availing Term Loan and Assets hypothecated to concerned institutions/ Bankers against specific finance for the same. The WCTL under Gaurenteed Emergency Credit Line (GECL 2.0) and GECL 2.0 - Extended availed from consortium banks namely Canara Bank, Punjab National Bank are secured by second charge created/to be created on the immovable assets of the Company. Loans from Sundaram Finance Limited and Kotak Mahindra Bank for specific assets are secure against hypothication of specific items of assets financed for Loan from LIC of India is against pledge of Key Man Policy. All the secured loans have been further secured by way of Personal Guarantees by two Promoter Directors of the Company to the extent applicable.

12. Non-Current Liabilities	As at 31 March, 2024	As at 31 March 2023
Deferred Tax Liability		
Opening balance as on 01-04-2023	2,455.58	2,378.81
ADD: Provision for the year	344.07	76.77
Restated opening Balance at the beginning of year	2,799.65	2,455.58
Less: Deferrred Tax Asset- MAT Credit		
Others MAT Credit		
Opening Balance	954.95	834.12
Add: Provided for the year	201.41	120.83
Less: MAT Credit Reversed	292.07	-
Closing Balance	864.29	954.95
Deferred Tax Liability (Net)	1,935.36	1,500.63

The Company had calculated Deferred tax asset/Liability using the rate at which the normal income taxes would be payable by the company as per IND AS 12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)
13. Other long-term liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Trade Payables:		
(i) Acceptances	-	-
(ii) Other than Acceptances	-	-
(b) Lease Liabilities	310.70	227.60
Total	310.70	227.60
Employee Benefits	-	-
Others	-	-
Total	-	-

14. Trade payables

Particulars	As at 31 March, 2024	As at 31 March, 2023			
Trade payables:					
Acceptances	158.92	259.98			
Other than Acceptances	2,336.35	2,494.55			
Total	2,495.27	2,754.53			
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	114.99	8.90			123.88
(ii) Others	2,190.12	181.27			2,371.39
(iii) Disputed dues — MSME	-				
(iv) Disputed dues - Others	-				

15. Borrowings	As at 31 March, 2024	As at 31 March, 2023
Bonds and Debentures		
Loans repayable on demand from Banks:		
From Banks		
Secured	6,529.37	6,361.71
Unsecured	-	-
Total	6,529.37	6,361.71

The Cash Credit and other working capital facilities from the consortium of Bankers namely, Canara Bank, Punjab National Bank and HDFC Bank are secured by way of hypothecation of Raw Material, Stock in Process, Finished Goods, Book Debts and Goods meant for export on pari-passu basis and further secured by way of first charge on immovable assets of the company and second & subsequent charge on the whole of the movable/Fixed Assets of the Company. These borrowings are further secured by way of Personal Guarantees by two Promoter Directors of the Company to the extent applicable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

16. Other Current Liabilities		As at 31 March, 2024	As at 31 March, 2023
Advances from Customers		198.54	207.16
Term Loan Instalments payable within one year		1,298.88	1,096.88
Deposits - DLR		93.37	68.22
Statutory remittances		505.46	409.93
(i) Contributions to PF and ESIC, Withholding Taxes, Excise Duty, GST, Service Tax, etc.			
(ii) Contractually reimbursable expenses		11.42	3.18
(iii) Salary & Wages Payable		290.88	295.99
(iv) Outstanding Liabilities for Expenses		161.58	131.68
(v) Interest accrued on borrowings		-	-
(vi) Dividend Payable		2.80	-
Total		2,562.93	2,213.04
17. Provisions		As at 31 March, 2024	As at 31 March, 2023
Employee Benefits		84.30	71.58
Current Tax Provision		188.64	117.43
Total		272.94	189.01
18. Revenue from operations			
Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Sale of products	12,193.48	11,630.14
(b)	Sale of services	6,409.54	5,585.98
(c)	Other operating revenues	27.80	24.56
		18,630.82	17,240.68
Less:			
(d)	Excise duty	-	-
Total		18,630.82	17,240.68
(i)	Sale of products comprises		
	Manufactured goods	11,118.10	10,125.85
	Traded goods	1,075.38	1,504.29
Total - Sale of products		12,193.48	11,630.14
(ii)	Sale of services comprises		
	Service - Earth Work	6,409.54	5,585.98
	Service - Road Work	-	-
Total - Sale of services		6,409.54	5,585.98
(iii)	Other operating revenues comprise:		
	Sale of Scraps	9.97	24.56
	Transportation & Loading & Unloading / Insurance	17.84	-
Total - Other operating revenues		27.80	24.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

19. Other income			
Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Interest income	20.94	21.25
(b)	Dividend income:		
	Associates	29.79	63.30
(c)	Other Operative Income	350.00	-
(d)	Other non-operating income (net of expenses directly attributable to such income)	43.66	15.56
	Total	444.39	100.11
(i)	Interest income comprises:		
	Interest from banks on:		
	Deposits	20.37	14.05
	Income Tax Refund	0.57	7.20
	Total - Interest income	20.94	21.25
(ii)	Other non-operating income comprises:		
	Other Income	-	0.70
	Insurance Claim Received	17.26	2.61
	Profit on sale of fixed assets [net of expenses directly attributable	17.99	-
	Prior period items (net) (Refer Note (iii) below)	-	-
	Miscellaneous income [net of expenses directly attributable	-	0.02
	Foreign Exchange Gain/loss	1.88	
	Rent Received	6.53	12.23
	Total - Other non-operating income	43.66	15.56
(iii)	Details of Prior period items (net)		
	Prior period income - VAT Refund	-	-
	Prior period expenses	-	-
	Total	-	-

20. Cost of materials consumed			
Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
	Opening stock	4,098.79	4,140.29
	Add: Purchases	3,202.91	2,598.02
		7,301.70	6,738.31
	Less: Closing stock	2,786.47	4,098.79
	Cost of material consumed	4,515.23	3,889.67
	Material consumed comprises:		
	Clay	2,608.93	2,218.59
	Glaze & Pigments	1,472.74	1,290.31
	Packing Material	432.42	378.75
	Other items	1.14	2.02
	Total	4,515.23	3,889.67
	Purchase of traded goods		
	Traded goods	822.73	1,204.31
	Total	822.73	1,204.31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Inventories at the end of the year:		
Finished goods	6,081.59	4,045.59
Work in progress	931.46	2,061.08
Stock-in-trade	-	-
	7,013.05	6,106.67
Inventories at the beginning of the year:		
Finished goods	4,045.59	3,514.75
Work-in-progress	2,061.08	1,916.64
Stock-in-trade	-	-
	6,106.67	5,431.39
Net (increase) / decrease	(906.38)	(675.28)

22. Employee benefits expense		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Salaries and wages	2,035.65	1,803.76
Contributions to provident and other funds	64.23	60.74
Staff welfare expenses	614.69	621.55
Defined Benefit Obligation - Gratuity	18.78	13.04
Defined Benefit Obligation - Leave Encashment	10.32	16.05
Other Employee Benefit Expenses	-	-
Total	2,743.67	2,515.14

23. Finance costs		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Interest expense on:		
(i) Borrowings TL CC	860.32	992.02
(ii) Trade payables FC	71.14	184.07
(iii) Others		
Interest on Lease Liabilities	25.65	25.79
Int Security deposits	4.07	4.03
Int Income Tax	-	-
(b) Other borrowing costs	142.64	130.50
Total	1,103.82	1,336.41

24. Other expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Consumption of stores and spare parts	1,151.70	431.97
Subcontracting	-	88.08
Power and fuel	4,966.59	4,727.22
Rent	25.00	25.36
Repairs and maintenance - Buildings	13.47	13.88
Repairs and maintenance - Machinery	36.72	16.39

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Repairs and maintenance - Others	164.31	110.89
Insurance	192.00	175.50
Rates and taxes	206.75	162.43
Communication	13.43	16.94
Travelling and conveyance	363.21	291.79
Printing and stationery	25.37	24.78
Freight and forwarding	650.05	646.15
Sales commission	21.25	15.86
Sales discount	213.48	192.45
Export Expenses	19.95	16.32
Business promotion	8.14	14.96
Donations and contributions	1.19	0.44
Legal and professional	162.48	120.29
Payments to auditors	7.20	6.00
Directors Sitting Fees	5.55	8.10
Advertisement & Publicity	1.34	2.69
Sales Promotion Expenses	2.15	1.73
Selling & Distr.expenses-Others	115.26	66.05
Security Charges	21.39	18.73
CSR payments	-	-
Loss on fixed assets sold / scrapped	37.58	-
Miscellaneous expenses	21.67	28.79
Total	8,447.22	7,223.76
(i) Payments to the auditors comprises:		
As auditors - statutory audit	3.60	3.00
For taxation matters	0.60	0.50
For management services	0.60	0.50
Reimbursement of expenses	2.40	2.00
Total	7.20	6.00

25. Disclosures under Accounting Standards

25.1	Employee benefit plans
25.1.a	<p>DEFINED CONTRIBUTION PLANS</p> <p>The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 38,22,381 (Year ended 31st March, 2023 Rs. 36,48,135) for Provident Fund contributions and Rs. 19,20,551 (Year ended 31st March, 2023 Rs. 18,50,661) for Superannuation Fund contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of schemes.</p>
25.1.b	<p>DEFINED BENEFIT PLANS</p> <p>The Company offers the following employee benefit schemes to its employees :</p> <p>i. Gratuity : The following tables sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:</p>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

	Particulars	Year ended 31 st March 2024	Year ended 31 st March 2023
		Gratuity	Gratuity
A	Change in Defined Benefit Obligations (DBO) during the year		
	Defined Benefit Obligation at the beginning of the year	295.56	287.56
	Current service cost	19.21	16.76
	Interest Expense	21.87	20.42
	Benefit Payment from Plan Assets	(3.89)	(76.70)
	Remeasurement - Due to Financial Assumptions	5.53	(3.56)
	Remeasurement - Due to Experience Adjustments	17.79	51.08
	Present value of DBO at the end of the year	356.09	295.56
B	Change in Fair Value of Plan Assets during the year:		
	Fair Value of Plan Assets at the beginning of the year	326.52	378.34
	Interest Income	24.08	24.20
	Actual company contributions	1.75	1.75
	Employers Contribution	(1.12)	(1.07)
	Benefit Payments from Plan Assets	(3.89)	(76.71)
	Plan assets at the end of the year	347.34	326.52
	Actual return on plan assets	19.21	16.76
C	Components of Defined Benefit Cost		
	Current service cost	19.21	16.76
	Interest Expenses on DBO	21.87	20.42
	Interest (Income) on Plan Assets	(24.08)	(24.20)
	Total Net Interest Cost	(2.21)	(3.78)
	Defined Benefit Cost included in P & L	17.00	12.98
	Remeasurement - Due to Financial Assumptions	5.53	(3.56)
	Remeasurement - Due to Experience Adjustments	17.79	51.08
	(Return) on Plan Assets (Excluding Interest Income)	1.12	1.07
	Total Remeasurements in OCI	24.43	48.60
	Total Defined Benefit Cost recognised in P & L and OCI	41.44	61.57
D	Amount Recognised in the Statement of Financial Position		
	Defined Benefit Obligation	356.07	295.56
	Fair Value of Plan Assets	347.34	326.52
	Fund Status	8.73	(30.96)
	Effect of Assets Ceiling / Onerous Liability	-	-
	Net Defined Benefit Liability / (Assets)	8.73	(30.96)
E	Net Defined Benefit Liability / (Assets) Reconciliation		
	Net Defined Benefit Liability / (Assets) at Beginning of the year	(30.96)	(90.76)
	Defined Benefit Cost included in P & L	17.00	12.98
	Total Remeasurements included in OCI	24.43	48.60
	Employers Contributions	(1.75)	(1.75)
	Net Defined Benefit Liability/(Assets) at end of year	8.73	(30.96)
F	Weighted Average Asset Allocations at the year end		
	Government Bonds	-	-
	PSU bonds	-	-
	Equity Mutual funds	-	-
	Insurance Policies	100%	100%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

G	Actuarial assumptions		
	Discount rate	7.10%	7.40%
	Salary escalation	6.00%	6.00%

26. Additional information to the financial statements

	Particulars	As at 31 March, 2024	As at 31 March, 2023
26.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt (give details)	-	-
	(b) Guarantees	213.43	163.04
	(c) Letters of Credit Established with Banks	788.22	650.41
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	414.80	63.83
		414.80	63.83

26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	123.88	11.91
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv) The amount of interest due and payable for the year	-	-
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid succeeding year, until such date when the interest dues as above are actually paid	-	-
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

26.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges
Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

	Name of the party	Relationship	Amount outstanding as at 31.03.2024	Maximum balance outstanding during the year
	Murudeshwar Power Corporation Pvt. Ltd	Associates	-	297.88
	RNS Powers Ltd	Associates	167.82	610.15
	Note: Figures in bracket relate to the previous year.			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 March, 2024		As at 31 March, 2023	
	Payable	Payable in Foreign currency	Payable	Payable in Foreign currency
	(Rs. in lakhs)	(indicate amount with currency)	(Rs. in lakhs)	(indicate amount with currency)
	-	-	76.96	US\$ 93,600

26.4	Value of imports calculated on CIF basis:		
	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
	Raw materials	-	
	Components	221.52	105.75
	Spare parts	222.50	321.16
	Total Components and spare parts	444.01	426.90
	Capital goods	107.10	2,742.46
26.5	Expenditure in foreign currency :	For the year ended 31 March, 2024	For the year ended 31 March, 2023
	Travel	19.18	-
26.6	Details of consumption of imported and indigenous items *	For the year ended 31 March, 2024	
		(Rs. In Lakhs)	%
	Imported		
	Raw materials	14.51 (9.66)	2.99 8.20
	Components	213.96 (79.82)	44.05 67.80
	Spare parts	257.26 (28.25)	52.96 24.00
	Total	485.73	100.00
		(117.73)	100.00
	Indigenous		
	Raw materials	4,500.72 (3,880.01)	86.87 92.30
	Components	125.80 (83.84)	2.43 1.99
	Spare parts	554.68 (240.06)	10.71 5.71
	Total	5,181.20	100.00
		(4,203.91)	100.00

Note: Figures / percentages in brackets relates to the previous year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)
27. Disclosures under Accounting Standards
27.1 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Ceramic Tiles and Vitrified Tiles. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada and South American countries), Europe, India and Others.

Business Segments

Particulars	Sale of Product	Sales of Services	Total
Revenue	12,221.27	6,409.54	18,630.82
Inter-segment revenue		-	-
Total	12,221.27	6,409.54	18,630.82
Less: Central Excise	-	-	-
Net Revenue	12,221.27	6,409.54	18,630.82
Segment result	464.39	315.11	779.50
Unallocable expenses (net)		-	-
Operating income			-
Other income (net)			369.40
Profit before taxes			1,148.90
Tax expense			636.14
Net profit for the year			512.76
27.2 Segment assets	49,376.69	1,262.51	50,639.20
Unallocable assets	-	-	4,129.50
Total assets	49,376.69	1,262.51	54,768.70
Segment liabilities	13,947.71	1,001.08	14,948.80
Unallocable liabilities	-	-	39,819.90
Total liabilities	13,947.71	1,001.08	54,768.70
Other information			
Capital expenditure (allocable)	35,428.98	261.43	35,690.40
Capital expenditure (unallocable)	-	-	-
Depreciation and amortisation (allocable)	966.68	233.35	1,200.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

27.3	Related party transactions		
	Details of related parties:		
	Description of relationship		
	Associates	M/s. RNS Infrastructure Ltd M/s. Murudeshwar Power Corp. Pvt. Ltd M/s. Naveen Hotels Pvt. Ltd RNS Motors Pvt. Ltd R N Shetty Trust R N S Trust	
	Key Management Personnel (KMP)	Shri Satish R Shetty Shri Sunil R Shetty Shri Naveen R Shetty Shri Karan S Shetty	
	Relatives of KMP	Sudha R Shetty	
	Company in which KMP / Relatives of KMP can exercise significant influence	Above mentioned Associate Companies	
	Note: Related parties have been identified by the Management.		
	Details of related party transactions during the year ended 31 March, 2024 and balances outstanding as at 31 March, 2024:		
		Associates	Total
	Purchase of goods	414.16	414.16
		(590.27)	(590.27)
	Sale of goods	80.67	80.67
		(64.85)	(64.85)
	Purchase of Fixed Assets	4.00	4.00
		(115.50)	(115.50)
	Rendering of services		
	RNS Infrastructure Ltd	7,435.07	7,435.07
		(6,449.96)	(6,449.96)
	Investment in Shares	-	-
		-	-
	Commission	350.00	350.00
		-	-
	Receiving of services	17.10	17.10
		(5.05)	(5.05)
	Dividend Received	29.79	29.79
		(63.30)	(63.30)
	Issues of Equity	937.65	937.65
		(370.90)	(370.90)
	Issues of Share Warrant	-	-
		(401.85)	(401.85)
	Balances outstanding at the end of the year	147.09	147.09
		(8.96)	(8.96)
	Note: Figures in bracket relates to the previous year		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

28 Disclosures under Accounting Standards			
Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
28.1	Earnings per share		
	Basic		
28.1.a	Continuing operations		
	Net profit / (loss) for the year from continuing operations	486.07	617.76
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	486.07	617.76
	Weighted average number of equity shares	5,80,62,246	5,70,08,413
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	0.84	1.08
28.2	Income Tax Expenses in Profit & Loss Account		
	Consist of following:		
	Current Tax	192.04	105.88
	Prior Period Tax	-	-
	Deferred Tax	344.07	76.77
	MAT Credit Entitlement	201.41	120.83
	MAT Credit Reversal	292.07	-
	Total Tax Expenses	626.77	61.82
	Reconciliation of taxes to the amount computed by applying the statutory income tax rates to the income before taxes is summarised below:		
28.3	Profit before taxes:	1,148.90	737.07
	Applicable rate	27.82%	27.82%
	Computed tax charges	192.04	105.88
	Less : Tax effected due to difference in tax rates	-	-
	Less : Reversal of Excess provision for previous year	-	-
	Add: (Increase) Decrease in Deferred tax liability	344.07	76.77
	Less : Increase (Decrease) in Deferred Tax Asset	-	-
	Less: Mat credit entitlement	201.41	120.83
	Add : Mat Credit Reversal	292.07	-
	Total Tax Expenses	626.77	61.82
	Less : Total Tax Expenses as per P & L	626.77	61.82
	Balance	Nil	Nil

Independent Auditor's Report

To the Members of Murudeshwar Ceramics Limited

Report on the Audit of Consolidated Ind AS Financial Statement

Opinion

We have audited the Consolidated Ind AS financial statements of **Murudeshwar Ceramics Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters:

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

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

Key Audit Matter	Auditor's Response
<p>1. Inventory</p> <p>The Value of inventory as at 31.03.2024 is 11581.49 lakhs which is 21.15% of total asset value. given the size of the inventory balance relative to the total asset size of the company, the valuation of inventory required significant audit attention</p> <p>As disclosed in the notes forming part of statement of accounts inventories are held at the lower of cost or net realisable value determined using weighted average cost</p> <p>The determination of valuation of inventory requires management to exercise qualitative judgments and apply assumptions</p>	<p>We have performed the following procedures w.r.t valuation of the inventory and assessment of procedures of physical verification of inventory during the period to ensure accuracy of inventory reporting</p> <p>On a sample basis, we tested the net realisable value of inventory to recent selling prices.</p> <p>We have also considered the stock audit report by Account Special Monitoring (ASM) auditors engaged by the lending bank to ensure that there are no inconsistencies in reporting.</p> <p>At the year-end the valuation of inventory is reviewed by management and cost of inventory is revalued where inventory is forecast to be sold below cost.</p> <p>In the view of the management, basic raw material used is clay for manufacturing of tiles and the same being a natural resource, does not have any depletion in value over the passage of time.</p>

2. Property, Plant and Equipment

Additions to Fixed assets during the year were 7745.42 lakhs(including CWIP of the previous year). Inappropriate timing of capitalization of project/inappropriate classification of categories of the items of PPE could result in material misstatement of CWIP/PPE with consequent impact on depreciation charge and results for the year

Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of review of capitalization of assets, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation, substantive testing of appropriateness of cut-off date considered for project capitalization.

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

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

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

Our opinion on the Consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management’s Responsibility for the Consolidated Ind AS financial statements

The Company’s management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the state of affairs, profit / loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, Including Indian Accounting Standard (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality

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

Communication with those charged with governance

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

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

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

Other Matters

The consolidated financial statements include the Group's share of net profit of 11.01 lakhs for the year ended 31st March, 2024, as considered in the consolidated financial statements, in respect of associate, whose financial statements have not been audited by us. These financial statements of associate have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Ind AS financial statements;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under.
- (e) On the basis of the written representations received from the Directors of the Company as on 31 March 2024 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “Annexure A”, which is based on the auditors’ report of the company.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Company’s Management and the Board of Directors have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Company’s Management and the Board of Directors have represented, that, to the best of their knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

- v. The company has declared and paid any dividend during the financial year under audit and is in accordance with Sec.123 of the Companies Act,2013.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the Auditor’s Reports on the financial statements of Company and its associates as at and for the year ended March 31, 2024, included in the Consolidated Financial Statements of the Group, we report in respect of those companies where audits have been completed under section 143 of the Act, we have reported qualifications or adverse remarks. In respect of the following company included in the consolidated financial statements of the Company, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of this associate is not available.

Name of the Company	CIN	Relationship
RNS Power Limited	U40105KA2012PLC066773	Associate

For K G Rao & Co.
Chartered Accountants
Firm Registration Number - 010463S

Sd/-
Krishnaraj K
Partner
(Membership Number - 217422)
UDIN – 24217422BKCMTS5986

Place: Bengaluru
Date: 29.05.2024

Annexure - A to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **Murudeshwar Ceramics Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For K G Rao & Co.
Chartered Accountants
Firm Registration Number - 010463S

Sd/-

Krishnaraj K
Partner
(Membership Number - 217422)
UDIN – 24217422BKCMTS5986

Place: Bengaluru

Date: 29.05.2024

Audited Financial Statement From 01st APRIL 2023 to 31st MARCH 2024
Consolidated Balance Sheet as at 31st March, 2024
(Rs. In Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
ASSETS			
1 - Non Current Assets			
(a) Property, plant and equipment	3	36,013.97	29,543.31
(b) Capital work-in-progress		1,044.58	7,832.96
(c) Investment Property		115.35	117.32
(d) Goodwill			
(e) Other Intangible assets			
(f) Intangible assets under development			
(g) Biological Assets Other than bearer plants			
(h) Financial assets			
(i) Investments	4	1,002.06	991.03
(ii) Trade Receivables			
(iii) Loans			
(i) Deferred tax Assets (Net)			
(j) Other non-current assets	5	269.65	266.20
Total non - current Assets (A)		38,445.61	38,750.82
2 - Current Assets			
(a) Inventories	6	11,581.49	11,799.76
(b) Financial assets			
(i) Investments			
(ii) Trade Receivables	7	1,643.16	1,646.19
(iii) Cash and cash equivalents	8	124.86	50.54
(iv) Bank balances other than (iii) above	8A	1,314.15	123.24
(v) Loans			
(vi) Others			
(c) Current Tax Assets (Net)			
(d) Other current assets	9	1,737.97	1,728.16
Total current assets (B)		16,401.63	15,347.90
Total Assets (A+B)		54,847.24	54,098.72
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	6,054.53	5,769.53
(b) Other equity		30,495.50	29,634.23
Total equity		36,550.03	35,403.77

LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	4,190.64	5,448.44
(ia) Lease Liabilities	13	310.70	227.60
(ii) Trade payables	13	-	-
(A) total outstanding dues of micro enterprises and small enterprises			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises			
(iii) Other financial liabilities (other than those specified in item (b), to be specified)			-
(b) Provisions			
(c) Deferred Tax Liabilities (Net)	12	1,935.36	1,500.63
(d) Other Non Current Liabilities			
Total non-current liabilities (A)		6,436.70	7,176.67
2 - Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	6,529.37	6,361.71
(ia) Lease Liabilities			
(ii) Trade payables	14	2,495.27	2,754.53
(A) total outstanding dues of micro enterprises and small enterprises		123.88	11.91
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,371.39	2,742.62
(iii) Other financial liabilities			
(b) Other current liabilities	16	2,562.93	2,213.04
(c) Provisions	17	272.94	189.01
(d) Current Tax Liabilities (Net)			
Total current Liabilities (B)		11,860.51	11,518.29
Total equity and liabilities (A+B)		54,847.24	54,098.72

In terms of our report attached
For **K.G. RAO & Co.**
Chartered Accountants
ICAI FIRM REGN. No.: 010463S

Sd-
KRISHNARAJ K
Partner
Membership No.:217422
Place : Bengaluru
Date : 29.05.2024
UDIN: 24217422BKCM5986

For and on behalf of the Board of Directors
MURUDESHWAR CERAMICS LIMITED

Sd-
SATISH R SHETTY
Chairman & Managing Director
(DIN 00037526)

Sd-
N M HEGDE
Vice President(Finance) & CFO

Sd-
NAVEEN R SHETTY
Director
(DIN 00058779)

Sd-
ASHOK KUMAR
Company Secretary

Audited Financial Statement From 01st APRIL 2023 To 31st MARCH 2024
Consolidated Statement of Profit and Loss for the year ended 31st March, 2024 (Rs. In Lakhs)

Particulars	Notes	March 31, 2024	March 31, 2023
I. REVENUES:			
Revenue from operations	18	18,630.82	17,240.68
Other Income	19	444.39	100.11
Total Income		19,075.22	17,340.79
II. EXPENSES:			
Cost of materials consumed	20	4,515.23	3,889.67
Purchase of Stock in Trade		822.73	1,204.31
Changes in inventory of finished goods and work-in progress	21	(906.38)	(675.28)
Employee benefit expenses	22	2,743.67	2,515.14
Finance costs	23	1,103.82	1,336.41
Depreciation and amortisation expense	3	1,200.00	1,109.70
Other expenses	24	8,447.22	7,223.76
Total Expenses		17,926.31	16,603.72
III. Profit/(loss) before exceptional items and tax (I-II)		1,148.90	737.08
IV. Tax Expense			
Current Tax		201.41	120.83
Deferred tax		344.07	76.77
Deferred Tax Provision for Earlier years Reversed		-	-
Less : MAT Credit Entitlement		201.41	120.83
Add : MAT Credit Reversed		292.07	-
Total tax expense		636.14	76.77
V. Profit/(loss) for the period from continuing operations		512.76	660.30
VI. Other comprehensive income			
(a) (i) Items that will not be reclassified to profit or loss			
-Remeasurement of Defined benefit plans		(36.06)	(57.48)
-Others			
(ii) Income tax relating to items that will not be reclassified to profit and loss		9.37	14.94
(b) (i) Items that may be reclassified to profit or loss			
-Exchange differences in translating financial statements of a foreign operation			
-Debt instruments through other comprehensive income			
Total other comprehensive income		(26.69)	(42.54)
VII. Total comprehensive income for the period (V+VI)		486.07	617.76
<i>(Comprising Profit(Loss) and Other Comprehensive Income for the year)</i>			
VIII. Profit/(Loss) for the year attributable to :			
- Associate (RNS Power Limited)		11.01	25.45
IX. Total comprehensive income for the period (VII+VIII)		497.08	643.21
<i>(Comprising Profit(Loss) and Other Comprehensive Income for the year)</i>			
X. Earnings per equity share (for discontinued & continuing operation):			
Basic Rs.		0.86	1.13
Diluted Rs.		0.82	1.07

In terms of our report attached
For K.G.RAO & Co.
Chartered Accountants
ICAI FIRM REGN. No.: 010463S

Sd-
KRISHNARAJ K
Partner
Membership No.: 217422
Place : Bengaluru
Date : 29.05.2024
UDIN: 24217422BKCMTS5986

For and on behalf of the Board of Directors
MURUDESHWAR CERAMICS LIMITED

Sd-
SATISH R SHETTY
Chairman & Managing Director
(DIN 00037526)

Sd-
N M HEGDE
Vice President (Finance) & CFO

Sd-
NAVEEN R SHETTY
Director
(DIN 00058779)

Sd-
ASHOK KUMAR
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
FOR THE PERIOD FROM APRIL 2023 TO MARCH- 2024**

(Rs. in lakhs)

	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax & extra - ordinary items	1,148.90	737.07
Adjustments for:		
Net Profit/(Loss) of the Associate	11.01	25.45
Depreciation	1,200.02	1,109.70
Interest Paid	885.97	1,017.82
Rent Received	(6.53)	(12.23)
Loss on Sale of Fixed Assets	37.58	-
Profit on Sale of Assets	(17.99)	-
Interest Income on Investments	(20.94)	(21.25)
Dividend received	(29.79)	(63.30)
Other Income	(350.00)	-
Provision for taxation	(555.56)	-
Remeasurement of defined benefit plans	(36.06)	(57.48)
Operating profit before working capital changes	2,266.61	2,735.79
Adjustments for:		
Increase/(Decrease) in Long Term Liability	517.83	54.94
Decrease / (Increase) in Inventories	218.27	(586.03)
Decrease / (Increase) in Trade receivables	3.03	562.57
Increase / (decrease) in Trade Payables	(259.26)	862.48
Decrease/(Increase) in Short term loans & advances		
Decrease/(Increase) in Other Current Assets	145.72	326.75
Decrease/(Increase) in Long Term Loans & Advances	(3.45)	19.18
Increase / (decrease) in Other Current Liabilities	349.89	409.60
Increase / (decrease) in Short Term Provisions	12.72	5.45
Cash generated from operations	3,251.36	4,390.72
Taxes paid	(155.53)	(124.80)
Cash flow before extra - ordinary item		
Net Cash from Operating Activities	3,095.83	4,265.92
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(957.04)	(8,237.15)
Sale of fixed assets	57.12	-
Interest received	20.94	21.25
Dividend received	29.79	63.30
Rent received	6.53	12.23
Other Income	350.00	-
Investments	(11.01)	(25.45)
Net cash flow from investing activities	(503.68)	(8,165.82)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term Borrowings repaid	(1,257.80)	3,856.03
Short Term Borrowings repaid	167.66	(149.59)
Proceeds from Issue of Share Capital	1,339.50	494.53
Issue of Share Warrants	(401.85)	278.22
IND AS Transition Reserve	-	7.66

	2023-24	2022-23
Dividend Paid	(288.48)	-
Change in reserve	-	-
Interest paid	(860.32)	(992.02)
Interest on Lease Liabilities	(25.65)	(25.79)
Net cash used in Financial activities	(1,326.93)	3,469.04
NET INCREASE IN CASH AND CASH EQUIVALENTS	1265.22	(430.86)
CASH AND CASH EQUIVALENTS AS ON 31.03.2023	173.79	604.65
CASH AND CASH EQUIVALENTS AS ON 31.03.2024	1,439.01	173.79

NOTES TO THE CASH FLOW STATEMENT
CASH AND CASH EQUIVALENT:

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

	2023-24	2022-23
Cash on hand and balances with banks	1,439.01	173.79
Short Term investments	-	-
Cash and cash equivalents effect of changes in Exchange rates	-	-
Cash and cash equivalents as restated	1,439.01	173.79

In terms of our report attached
For K.G.RAO & Co.
Chartered Accountants
ICAI FIRM REGN. No.: 010463S

For and on behalf of the Board of Directors
MURUDESHWAR CERAMICS LIMITED

Sd/-
KRISHNARAJ K
Partner
Membership No.:217422
Place : Bengaluru
Date : 29.05.2024
UDIN: 24217422BKCM5986

Sd/-
SATISH R SHETTY
Chairman & Managing Director
(DIN 00037526)

Sd/-
NAVEEN R SHETTY
Director
(DIN 00058779)

Sd/-
N M HEGDE
Vice President(Finance) & CFO

Sd/-
ASHOK KUMAR
Company Secretary

CERTIFICATE

We have examined the above Cash Flow Statement of Murudeshwar Ceramics Ltd.,for the year ended 31.03.2024 and certify that the said statement has been prepared by the Company in accordance with IND AS-7 issued by the Institute of Chartered Accountants of India and as per requirement of Listing Agreements with Stock Exchanges and is based on and is in agreement with Profit & Loss Account and Balance Sheet of the Company for the year ended on 31.03.2024.

For K.G.RAO & Co.
Chartered Accountants
ICAI FIRM REGN. No.: 010463S

Place : Bengaluru
Date : 29.05.2024

Sd/-
KRISHNARAJ K
Partner
Membership No.:217422

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)**Note: 1 Corporate Information**

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

Note: 2 Significant Accounting Policies**i. Basis of Preparation**

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

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

Functional and presentation currency

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

Basis of measurement

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

ii. Use of estimates and judgment

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

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

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

Current / Non-Current Classification

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

Asset/Liability is expected to be realized/settled during the company's normal operating cycle.

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)**3. Revenue**

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

4. Expenses

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

5. Property, plant and Equipment

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

Capital Work in Progress

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

Depreciation commences when the assets are ready for their intended use

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

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

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

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

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

Derecognition

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

6. Inventories

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

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

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

7. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain

'The Company's lease asset classes primarily consist of leases for shops. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

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

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

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

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

8. Investments in associate company

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

While preparing the consolidated financial statements, the company has followed Equity Method as per IND AS 28 "Investment in Associates & Joint Ventures".

9. Taxes on Income**Current Tax**

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

Deferred Tax

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

10. Financial Instruments

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

The Disclosure as per IND AS is given as under –

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)
As on 31.03.2024 (Rs. In Lakhs)

Cash and cash equivalents including other bank balances	Note	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
Financial Assets:						
Trade receivables	7	-	-	1643.16	1643.16	-
Cash and cash equivalents including other bank balances	8	-	-	1439.01	1439.01	-
Investments	4	-	-	1002.06	1002.06	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	4084.23	4084.23	-
Financial Liabilities:						
Trade payables	14	-	-	2495.27	2495.27	-
Lease Liabilities	13	-	-	310.70	227.60	-
Other financial liabilities	15	-	-	6529.37	6529.37	-
Total Financial Liabilities		-	-	9335.34	9335.34	-

As on 31.03.2023 (Rs. In Lakhs)

Cash and cash equivalents including other bank balances	Note	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
Financial Assets:						
Trade receivables	7	-	-	1646.19	1646.19	-
Cash and cash equivalents including other bank balances	8	-	-	173.79	173.79	-
Investments	4	-	-	991.03	991.03	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	2811.01	2811.01	-
Financial Liabilities:						
Trade payables	14	-	-	2754.52	2754.52	-
Lease Liabilities	13	-	-	227.60	227.60	-
Other financial liabilities	15	-	-	6361.70	6361.70	-
Total Financial Liabilities		-	-	9343.82	9343.82	-

Other Financial Instruments and Cash & Cash Equivalents

The Company held cash and cash equivalents of Rs.124.86 Lakhs (31st March 2023 - Rs.50.54 Lakhs). The cash and cash equivalents are held with banks with high rating. The Company held deposits with banks and financial institutions of Rs.1314.15 Lakhs (31st March 2023 - Rs.123.24 Lakhs), In order to manage the risk, Company places deposits with only high rated banks/institutions.

(Rs. in Lakhs)

Particulars	As at 31-Mar-24	As at 31-Mar-23
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)		
Non-current Investment	1002.06	991.03
Non-current Loans & Advances	200.50	200.50
Other Non-Current Financial Assets	69.15	65.70
Cash & Cash Equivalent	124.86	50.54
Bank balances other than cash and cash equivalents	1314.15	123.24
Current Loans & Advances	-	-
Other Current Financial Assets	1737.97	1728.16
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)	-	-
Trade Receivables	1643.16	1646.19
Total	6091.85	4805.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

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

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

Fair Value Hierarchy

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

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

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

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

Measurement of fair value of financial instruments

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

Financial Risk Management

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

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

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

- 1. Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk comprises three types of risk:

Interest rate risk, foreign currency risk and another price risk.

- a) Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of market interest risk. The Company's exposure to risk of changes in market interest rates is minimal. The company has not used any interest rate derivatives.
- b) Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The company has not entered into any forward exchange contracts/derivative contracts.
- c) Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The company has not invested in any traded equity instruments or bonds.

- 2. Credit risk**

The credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from financial assets such as trade receivables, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with the counterparties that have sufficiently high credit ratings. The exposure and credit ratings of the counterparties are continuously monitored, and aggregate value of transactions is reasonably spread amongst the counterparties. There are no cases of historical defaults and hence no provision for expected credit loss is necessary.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)**3. Liquidity risk**

The liquidity risk is the risk that the company will encounter difficulty in raising funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. The company has established liquidity risk management framework for managing its short term, medium term and long term and liquidity management requirements. The company has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

11. Borrowings and Borrowing Cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

12. Provision and contingencies

The company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resource embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

13. Cash and cash equivalents

Cash and cash equivalent for the purpose of balance sheet comprises of cash and banks balances.

14. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events of bonus issue and share split.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

15. Employee benefits

(i) Short term Employee benefits: Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance – linked rewards falling due wholly within the twelve months or rendering the service are classified as short-term employee benefits and are expensed in the period in which employee renders the related service.

(ii) Post-employment benefits

A. Defined contribution plans: The company's superannuation scheme, the state governed provident fund scheme, employee insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under such schemes is recognized during the period in which the employee renders the related service.

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

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

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

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

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

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

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

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

16. Investment Property:

The disclosure as per IND AS is as under –

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

Rental income from Investment Property	6,67,500
Direct Operating Expenses arising from Investment Property generating rental income	
Municipal Tax/Property Tax	16,023
Flat Maintenance Charges	1,13,548
Direct Operating Expenses arising from Investment Property not generating rental income	NA

- The existence and amounts of restrictions on the realisability of the Investment Property or remittance of income and proceeds of disposals – Nil
- Contractual obligation to purchase, construct or develop investment property or for repair and maintenance or enhancements - Nil.
- Asset Value and Depreciation Disclosure:
 - Depreciation method used: Straight Line Method
 - Useful life of Depreciation: 50 Years

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)
- Asset Schedule

Property	Opening as on 01.04.2023 [A]	Addition [B]	Deletion [C]	Depreciation for the year [D]	Closing value as on 31.03.2024 E=[A+B-C-D]
FLAT AT BANGALORE - JUNGFRAU BLOCK NO. 306	39,26,347	-	-	81,375	38,44,972
FLAT AT BANGALORE - JULIAN BLOCK NO. 307	39,26,347	-	-	81,375	38,44,972
FLAT AT BANGALORE - ARONIA BLOCK NO. 501	39,26,347	-	-	81,375	38,44,972
TOTAL					1,15,34,916

7. Fair Value of Investment Property

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

17. Segment reporting policies

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

18. Events after the reporting date

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

19. Government Grants/Subsidy

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

20. The Company has been maintaining its books of accounts in the Odoo 16 which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021.
21. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under and only when, the Group's obligations are discharged, cancelled or have expired. Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

22. Additional Reporting requirement as per amendment in Schedule III of the Company's Act 2013:
1. Details of Benami Property held:

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

2. Title deeds of immovable properties not held in name of the company:

There are no immovable properties which are not held in name of the company. In case of leasehold property lease deeds are duly executed in favour of company.

3. Valuation of Property, Plant & Equipment, intangible asset and investment property:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

4. The fair value of Investment Property is based on prevailing Government prescribed value of the property which is not based on valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
5. The details of Loans or Advances in the nature of loans granted to promoters, directors, KMPs and other related parties are as below:

(Rs. in Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters		-
KMPs		-
Related Parties		-
NIL		

6. **Borrowings from Banks or Financial institution on the basis of Security of Current Assets:**

The company has availed short term loans/working capital facilities from banks or financial institution on the basis of security of Current Assets. The quarterly details submitted to the banker are not in agreement with books of accounts, the variances as detailed under –

(Rs. in Lakhs)

MONTH	Value of Current assets as per books of accounts (Stock+WIP+Debtors-Creditors) (a)	Total Value of stocks and book debts as per statement given to bank (b)	Difference (c = a-b)
Jun-23	10,379.99	10,056.48	323.51*
Sep-23	10,957.56	9,255.93	1701.63*
Dec-23	10,771.12	9,607.57	1163.55*
Mar-24	10,729.38	9,196.73	1532.65*

Reason for variance:

* Receivables/inventories outstanding for more than 6 months are not considered for Drawing Power calculation for working capital. As a result, total value of stocks and book debts submitted to the banker is less than the value appearing in the books of accounts.

7. **Wilful Defaulter:**
The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.
8. **Relationship with struck off Companies:**
The Company has no transactions with the companies struck off under the Companies Act, 2013.
9. **Compliance with approved scheme(s) of arrangements:**
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
10. **Undisclosed Income:**
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account
11. **Details of crypto currency of virtual currency:**
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
12. **Utilisation of Borrowed funds and share premium:**
The Company has utilised borrowed fund for the purpose as specified in the terms of sanctions.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)
13. Registration of charges or satisfaction with Registrar of Companies:

No charges or satisfaction are pending to be registered with Registrar of Companies except the following –
For the following loans, Charge creation is yet to be made with RoC.

Sl. No	Loan Amount (In Lakhs)	Bank/Financial Institution	Reason for Not Creating Charge
NIL			

For the following loans, the satisfaction of charge is yet to be registered with RoC

Sl. No.	Charge ID	Loan Amount (Charge Created for) (Rs)	Bank/Financial Institution	Reason for delay
1	100228171	28,75,920/-	Sundaram finance limited	The loan closure & clearance related documents are yet to be received from the lender.
2	100359329	1,05,00,000/-	Bank of Baroda	The loan closure & clearance related documents are yet to be received from the lender.

14. Corporate Social Responsibility:

The details of Contribution to Corporate Social Responsibility are as follows:

- Average Net Profits/ (Loss) of the Company for the last three financial years: **Rs. (161.84) lakhs.**
- Prescribed CSR Expenditure (Two percent of the amount as in above): **Rs. (3.24) lakhs.**

Amount Required to be spent	Amount of Expenditure Incurred	Shortfall at 31.03.2023	Total of Previous Years Shortfall	Reasons for Shortfall	Nature of CSR Activities	Remark
Not Applicable for the reporting period (CSR Expenditure is in negative)						

15. Financial ratios are separately enclosed.

For and on behalf of
K G Rao & Co.,
Chartered Accountants
FRN: 010463S

Sd/-
Krishnaraj K.
Partner
M. No. 217422

By Order of the Board
For Murudeshwar Ceramics Limited

Sd/-
Satish R Shetty
Chairman & Managing Director
(DIN 00037526)

Sd/-
Naveen R Shetty
Director
(DIN 00058779)

Place: Bengaluru
Date: 29.05.2024

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)
In Consolidated Financial Statement - additional information
(Rs. in Lakhs)

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	---							
Subsidiaries Indian								
1								
Non-Controlling Interest in all subsidiaries								
Associates (Investment as per the equity method)								
Indian								
1. RNS Power Limited	26.1	732.78	26.10	11.02	26.10	0	26.10	11.02
Foreign	---							
1								
Joint Venture (Investment as per the equity method)	-	-	-	-	-	-	-	-
Indian	----							
1								
Foreign								
1								
Total								

3.All subsidiaries, associates and joint venture (whether Indian or Foreign) will be covered under consolidated financial statement.

Particulars	FY 2023-24	FY 2022-23	Variation (Increase/ Decrease as a % of last year ratio)	REMARKS - (If variation is more than 25%)
1. Current Ratio				
Current assets	16,401.63	15,347.90		
Current liabilities	11,860.52	11,518.29		
	1.38	1.33	3.78	
2. Debt Equity Ratio				
Total Debts	4,190.64	5,448.44		
Shareholders Equity	36,550.04	35,403.77		
	0.11	0.15	(25.50)	Rs. 1,043.67 lacs loans have been repaid during the year. No additional loan has been availed during the year.
3. Debt Service Coverage Ratio				
Earnings available for debt service	2,836.19	3,106.41		
Debt Service	2,147.49	2,653.62		
	1.32	1.17	12.82	Term Loans & GECL Loans have been repaid

Particulars	FY 2023-24	FY 2022-23	Variation (Increase/ Decrease as a % of last year ratio)	REMARKS - (If variation is more than 25%)
4. Return on Equity				
Net Profits after taxes – Preference Dividend (if any)	497.09	643.21		There is an increase in profitability for the current year.
Average Shareholder's Equity	35,976.91	34,691.95		
	0.01	0.02	25.48	
5. Inventory Turnover Ratio				
Sales	18,630.82	17,240.67		There is increase in sales turnover in the current year compare to previous year
Average Inventory	11,690.63	11,506.75		
Average inventory is (Opening + Closing balance / 2)	1.59	1.50	6.36	
6. Trade receivables turnover ratio				
Net Credit Sales	18,630.82	17,240.67		The receivable is reduced even though there is increase in sales turnover in the current year.
Avg. Accounts Receivable	1,644.68	1,927.48		
Average trade debtors = (Opening + Closing balance/2)	11.33	8.94	26.64	
7. Trade Payables turnover ratio				
Net Credit Purchases	10,529.46	10,392.00		
Average Trade Payables	2,624.90	2,323.29		
	4.01	4.47	(10.32)	
8. Net capital turnover ratio				
Net Sales	18,630.82	17,240.67		Slight decrease in Working Capital Gap
Working Capital	4,541.13	3,829.61		
Working capital shall be calculated as current assets minus current liabilities	4.10	4.50	(8.87)	
9. Net Profit Ratio				
Net Profit	497.09	643.21		Profitability is at same level
Net Sales	18,630.82	17,240.67		
	0.03	0.04	28.48	
10. Return on Capital Employed				
Earning before interest and taxes	2,252.72	2,073.49		
Capital Employed	42,676.03	42,285.33		
Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05	0.05	(7.65)	
11. Return on Investment				
$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$	-0.59%	-1.18%		
T1 = End of time period, T0 = Beginning of time period				
t = Specific date falling between T1 and T0				
MV(T1) = Market Value at T1, MV(T0) = Market Value at T0				
C(t) = Cash inflow, cash outflow on specific date				
W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$				

Note on variance:

The variance of various parameters (Ratios) over 25% for the year 2022-23 over the previous year is mainly due to the poor sales performance of the company in the first two quarters of previous year on account of outbreak of COVID 19 pandemic. The improvement in sales performance this year have made substantial impact on various ratios in the current year

Notes forming part of the financial statements
Note 03: Property, Plant & Equipment and Other Intangible Assets
Changes in the carrying value of property, plant and equipment for the period ended March, 2024:

(Rs. in lakhs)

Particulars	Property, Plant and Equipment							Other Intangible Asset			Total			
	Leasehold improvements	Building	Plant and equipment	Computers	Office equipment and fixtures	Furniture and fixtures	Vehicles	Right to use Assets	Total	Investment Property		Goodwill	Other Intangible assets under development	Biological Assets Other than bearer plants
Gross carrying value as of April 1, 2023	8,070.69	9,458.48	16,948.20	53.17	103.40	118.95	966.02	439.90	36,158.81	134.27				36,293.08
Additions	13.87	678.73	6,858.53	2.73	26.26	1.30	4.00	160.00	7,745.42	-				7,745.42
Deletions		-	116.48	-	-	-	-	-	116.48	-				116.48
Gross carrying value as of March 31, 2024	8,084.56	10,137.21	23,690.25	55.90	129.67	120.25	970.02	599.90	43,787.75	134.27				43,922.02
Accumulated depreciation as of April 1, 2023	-	1,327.05	4,749.12	45.57	34.73	62.55	158.97	237.98	6,615.97	16.48				6,632.45
Depreciation	-	203.60	765.99	4.54	19.50	9.20	117.72	77.02	1,197.58	2.44				1,200.02
Accumulated depreciation on deletions		-	39.77	-	-	-	-	-	39.77	-				39.77
Accumulated depreciation as of March 31, 2024	-	1,530.65	5,475.34	50.11	54.23	71.75	276.69	315.01	7,773.78	18.92				7,792.70
Carrying value as of March 31, 2024	8,084.56	8,606.55	18,214.91	5.79	75.44	48.50	693.32	284.89	36,013.97	115.35				36,129.32
Carrying value as of March 31, 2023	8,070.69	8,131.43	12,199.08	7.60	68.67	56.40	807.05	201.92	29,542.84	117.79				29,660.63

CWIP aging schedule

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	1,044.58	-	More than 3 years	1,044.58
Advance for purchase of Land	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)
4. Investments

Particulars	As at 31 March, 2024				As at 31 March, 2023			
	Equity Instruments	Govt & Trust Securities	Debenture & Bonds	Total	Equity Instruments	Govt & Trust Securities	Debenture & Bonds	Total
Investments in								
a) Subsidiaries								
b) Associates	986.57			986.57	975.54	-	-	975.54
c) Joint Ventures					-	-	-	
d) Structured Entities	2.00	0.49	13.00	15.49	2.00	0.49	13.00	15.49
Total	988.57	0.49	13.00	1,002.06	977.54	0.49	13.00	991.03
of Above								
Quoted Investments								
Market Value								
Unquoted Investments	988.57	0.49	13.00	1,002.06	977.54	0.49	13.00	991.03
Impairment								

Other Financial Assets

Bank Deposits with more than 12 month Maturity

5. Other Non Current Assets	As at 31 March, 2024	As at 31 March, 2023
(i) Capital Advances/Prepaid Rent	16.13	13.89
(ii) Prepaid Interest - IND AS	4.30	4.30
(iii) Advances against purchase of shares	-	-
(IV) Security Deposits	48.72	47.51
	69.16	65.71
5. Non-Financial Assets :		
(i) PLA & Cenvet Credit	-	-
(ii) VAT credit receivable	19.66	19.66
(iii) Service Tax credit receivable	-	-
(iv) Income Tax Refund Receivable	180.83	180.84
	200.50	200.50
Total	269.65	266.20

6. Inventories

	As at 31 March, 2024	As at 31 March, 2023
Raw Materials	2,786.47	3,663.12
Work In Progress	931.46	2,061.08
Finished Goods	6,099.35	4,046.73
Stock in Trade	113.20	307.35
Stores and Spares	1,651.01	1,721.48
Loose Tools	-	-
Others	-	-
Total	11,581.49	11,799.76
Goods in Transit		
Method of Valuations	Weighted Average	Weighted Average

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)
Note 7. Trade Receivables

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	474.40	450.44
Doubtful	-	-
	474.40	450.44
Less: Provision for doubtful trade receivables	-	-
	474.40	450.44
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,168.76	1,195.75
Doubtful	-	-
	1,168.76	1,195.75
Less: Provision for doubtful trade receivables	-	-
	1,168.76	1,195.75
	-	-
Total	1,643.16	1,646.19

Note: Trade receivables include debts due from:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Private companies in which any director is a director or member		
RNS Infrastructure Limited	-	-
Murudeshwar Power Corporation Pvt. Ltd	-	-
Naveen Hotels Pvt. Ltd	-	-

Particulars	Outstanding for following periods from due date of payment As at 31 March, 2024				
	Less than 6 months	6 months -1 year	1-2 YEARS	2-3 years	Total
(i) Undisputed Trade Receivables - considered good	1,168.77	169.83	250.52		1,589.12
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-			-
(iii) Undisputed Trade Receivables - credit impaired		-			-
(iv) Disputed Trade Receivables - considered good			54.05		54.05
(v) Disputed Trade Receivables - which have significant increase in credit risk		-			-
(vi) Disputed Trade Receivables - credit impaired		-			-

8. Cash and Cash equivalents	As at 31 March, 2024	As at 31 March, 2023
Balances with bank(of nature cash and Cash Equivalents)		
- Current Accounts	114.59	38.59
Cash on hand	10.27	11.96
Total	124.86	50.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

8A. Bank balances other than Cash and Cash equivalents	As at 31 March, 2024	As at 31 March, 2023
Earmarked Funds- unpaid dividends*	2.85	-
Margin Money	1311.29	123.24
Total	1314.15	123.24

* These balances are not available for use by the Company and not due for deposit in the Investor Education and Protection Fund.

9. OTHER CURRENT ASSETS		
(i) Capital Advances	-	-
(ii) Advances other than Capital Advances		
Security Deposits	563.52	563.48
Advances to Related Parties		
Other Advances		
Advances to		
Directors	-	-
Officers	-	-
By Firms (Related party)	-	-
Private Companies (Related party)	-	-
Interest Accrued on Deposits	72.97	65.21
Total	636.49	628.69
(iii) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	359.19	329.53
Doubtful	-	-
Total	359.19	329.53
iv) Balances with government authorities		
Unsecured, considered good		
(i) GST Credit	(0.32)	90.52
(ii) PLA & Cenvet Credit	-	-
(iii) VAT credit receivable	-	-
(iv) Service Tax credit receivable	-	-
(v) Income Tax Refund Receivable	-	-
Total	(0.32)	90.52
v) Prepaid expenses - Unsecured, considered good	61.06	86.08
vi) Others - Advances		
Secured, considered good		
For supply of goods and rendering services	525.57	468.53
Advance Payment of Income Tax	155.98	124.81
	681.55	593.34
Less: Provision for other doubtful loans and advances	-	-
Total	681.55	593.34
Total	1,737.97	1,728.16

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

Particulars	Equity share capital	Other Equity					Total equity attributable to equity holders of the Company	
		Reserve & Surplus						
		Money Received Against Share warrant	Securities Premium	Retained Earnings	General Reserve	Capital/ Capital Redemption Reserve		IND AS Transition Reserve
Restated Balance as on April 1, 2022	5,494.79	123.63	13,329.24	427.53	12,795.85	1,706.81	102.31	33,980.16
Changes in equity share capital	274.74	(123.63)	219.79	-	-	-	7.66	378.56
Fresh Share Warrant issued during the year		401.85		643.21				401.85
Profit for the year								643.21
Remeasurement of the net defined benefit liability/ asset, net of tax effect								-
Transfer to Capital Reserve								-
Interim Dividend (Including Corporate Dividend Tax)								-
Final Dividends (Including Corporate Dividend Tax)								-
Balance as of March 31, 2023	5,769.53	401.85	13,549.04	1,070.74	12,795.85	1,706.81	109.97	35,403.76
Changes in equity share capital	285.00	(401.85)	1,054.50	-	-	-	-	937.65
Fresh Share Warrant issued during the year								-
Profit for the year				497.08				497.08
Remeasurement of the net defined benefit liability/ asset, net of tax effect								-
Transfer to Capital Reserve								-
Interim Dividend (Including Corporate Dividend Tax)								-
Final Dividends (Including Corporate Dividend Tax)				288.48				288.48
Balance as of March 31, 2024	6,054.53	-	14,603.54	1,279.34	12,795.85	1,706.80	109.97	36,550.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

I. Equity Share Capital:	Number of Equity Shares	Amount Rs. in lakhs
(a) The number of shares authorised;	7,16,20,000	7162.00
(b) the number of shares issued, subscribed and fully paid, and subscribed but not fully paid; Issued	6,05,45,260	6,054.53
subscribed and fully paid	6,05,45,260	6,054.53
subscribed but not fully paid (Shares are forfeited and the amount received are disclosed under Capital reserve)	24,857	0.78
(c) par value per Share;	Rs.	10.00
(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;		
at the beginning fully paid up	5,76,95,260	
at the end fully paid up	6,05,45,260	
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;	Not Applicable	
(f) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;	Not Applicable	
(g) shares in the company held by each shareholder holding more than five per cent. Shares specifying the number of shares held;		
RNS INFRASTRUCTURE LIMITED	1,28,52,966	21.23%
MURUDESHWAR POWER CORPORATION PRIVATE LIMITED	2,31,62,172	38.26%
(h) shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts;	Not applicable	
(i) for the period of five years immediately preceding the date at which the Balance Sheet is prepared		
• number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;	Not applicable	
• aggregate number and class of shares allotted as fully paid up by way of bonus shares; and	Not applicable	
• aggregate number and class of shares bought back;	Not applicable	
(j) terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date; 2850000 warrants allotted by the Board on 16.12.2022 in terms of approval accorded by the members on 07.12.2022 by postal ballot and these warrants have already been converted in equal number of equity shares at the Boar Meeting held on 14.02.2024		
(k) calls unpaid (showing aggregate value of calls unpaid by Directors and officers);	Not applicable	
(l) forfeited shares (amount originally paid up).	No. of Shares 24,857	Rs. In Lakhs 0.78

(m) A company shall disclose Shareholding of Promoters as under:

Shares held by promoters at the end of the year

RNS Infrastructure Limited	1,28,52,966	21.23	P.Y	%	% Change during the year
Murudeshwar Power Corporation Private Limited	2,31,62,172	38.26			
Others	87,49,987	14.45			
Total	4,47,65,125	73.94	72.65		1.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

11. Borrowings	As at 31 March 2024	As at 31 March 2023
Bonds and Debentures	-	-
Term Loans		
From Banks		
Secured	3,876.28	5,134.08
Unsecured	-	-
From Others	314.36	314.36
Deposits		
Loans from Related parties	-	-
Long term maturities of Finance lease obligations	-	-
Liability component of Compound Finance Instruments	-	-
Other loans	-	-
	4,190.64	5,448.44

The Term Loans from Banks are repayable in monthly instalments. Interest is payable On monthly basis. The Term Loans from HDFC Bank is secured by exclusive first charge created on immovable property and Plant and machinery at Sira Plant. The Working Capital Loans from banks namely Canara Bank, Punjab National Bank and HDFC Bank are secured by first charge created on the immovable properties, Stock and Book Debts and second charge created on movable Plant & Machinery except the exclusive charge created in favour of HDFC Bank for availing Term Loan and Assets hypothecated to concerned institutions/Bankers against specific finance for the same. The WCTL under Gaurenteed Emergency Credit Line (GECL 2.0) and GECL 2,0 - Extended availed from consortium banks namely Canara Bank, Punjab National Bank are secured by second charge created/to be created on the immovable assets of the Company. Loans from Sundaram Finance Limited and Kotak Mahindra Bank for specific assets are secure against hypothecation of specific items of assets financed for Loan from LIC of India is against pledge of Key Man Policy. All the secured loans have been further secured by way of Personal Guarantees by two Promoter Directors of the Company to the extent applicable.

12. Non-Current Liabilities	As at 31 March 2024	As at 31 March 2023
Deferred Tax Liability		
Opening balance as on 01-04-2023	2,455.58	2,378.81
ADD: Provision for the year	344.07	76.77
Restated opening Balance at the beginning of year	2,799.65	2,455.58
Less: Defferred Tax Asset- MAT Credit		
Others MAT Credit		
Opening Balance	954.95	834.12
Add: Provided for the year	201.41	120.83
Less: MAT Credit Reversed	292.07	-
Closing Balance	864.29	954.95
Deferred Tax Liability (Net)	1,935.36	1,500.63

The Company had calculated Deferred tax asset/Liability using the rate at which the normal income taxes would be payable by the company as per IND AS 12

13. Other long-term liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Trade Payables:		
(i) Acceptances	-	-
(ii) Other than Acceptances	-	-
(b) Lease Liabilities	310.70	227.60
Total	310.70	227.60
Employee Benefits	-	-
Others	-	-
Total	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

14. Trade payables					
Particulars		As at 31 March, 2024		As at 31 March, 2023	
Trade payables:					
Acceptances			158.92		259.98
Other than Acceptances			2,336.35		2,494.55
Total			2,495.27		2,754.53
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	114.99	8.90			123.88
(ii) Others	2,190.12	181.27			2,371.39
(iii) Disputed dues - MSME	-				
(iv) Disputed dues - Others	-				
15. Borrowings		As at 31 March, 2024		As at 31 March, 2023	
Bonds and Debentures					
Loans repayable on demand from Banks:					
From Banks					
Secured			6,529.37		6,361.71
Unsecured			-		-
Total			6,529.37		6,361.71
<p>The Cash Credit and other working capital facilities from the consortium of Bankers namely, Canara Bank, Punjab National Bank and HDFC Bank are secured by way of hypothecation of Raw Material, Stock in Process, Finished Goods, Book Debts and Goods meant for export on pari-passu basis and further secured by way of first charge on immovable assets of the company and second & subsequent charge on the whole of the movable/Fixed Assets of the Company. These borrowings are further secured by way of Personal Guarantees by two Promoter Directors of the Company to the extent applicable.</p>					
16. Other Current Liabilities		As at 31 March, 2024		As at 31 March, 2023	
Advances from Customers			198.54		207.16
Term Loan Instalments payable within one year			1,298.88		1,096.88
Deposits - DLR			93.37		68.22
Statutory remittances			505.46		409.93
(i) Contributions to PF and ESIC, Withholding Taxes, Excise Duty, GST, Service Tax, etc.					
(ii) Contractually reimbursable expenses			11.42		3.18
(iii) Salary & Wages Payable			290.88		295.99
(iv) Outstanding Liabilities for Expenses			161.58		131.68
(v) Interest accrued on borrowings			-		-
(vi) Dividend Payable			2.80		-
Total			2,562.93		2,213.04
17. Provisions		As at 31 March, 2024		As at 31 March, 2023	
Employee Benefits			84.30		71.58
Current Tax Provision			188.64		117.43
Total			272.94		189.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

18. Revenue from operations			
Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Sale of products	12,193.48	11,630.14
(b)	Sale of services	6,409.54	5,585.98
(c)	Other operating revenues	27.80	24.56
		18,630.82	17,240.68
(d)	Less: Excise duty	-	-
	Total	18,630.82	17,240.68
(i)	Sale of products comprises		
	Manufactured goods	11,118.10	10,125.85
	Traded goods	1,075.38	1,504.29
	Total - Sale of products	12,193.48	11,630.14
(ii)	Sale of services comprises		
	Service - Earth Work	6,409.54	5,585.98
	Service - Road Work	-	-
	Total - Sale of services	6,409.54	5,585.98
(iii)	Other operating revenues comprise:		
	Sale of Scraps	9.97	24.56
	Trasportation & Loading & Unloading / Insurance	17.84	-
	Total - Other operating revenues	27.80	24.56
19. Other income			
Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Interest income	20.94	21.25
(b)	Dividend income:		
	Associates	29.79	63.30
(c)	Other Operative Income	350.00	-
(d)	Other non-operating income (net of expenses directly attributable to such income)	43.66	15.56
	Total	444.39	100.11
(i)	Interest income comprises:		
	Interest from banks on:		
	Deposits	20.37	14.05
	Income Tax Refund	0.57	7.20
	Total - Interest income	20.94	21.25
(ii)	Other non-operating income comprises:		
	Other Income	-	0.70
	Insurance Claim Received	17.26	2.61
	Profit on sale of fixed assets [net of expenses directly attributable	17.99	-
	Prior period items (net) (Refer Note (iii) below)	-	-
	Miscellaneous income [net of expenses directly attributable	-	0.02
	Foreign Exchange Gain/loss	1.88	-
	Rent Received	6.53	12.23
	Total - Other non-operating income	43.66	15.56
(iii)	Details of Prior period items (net)		
	Prior period income - VAT Refund	-	-
	Prior period expenses	-	-
	Total	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

20. Cost of materials consumed		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening stock	4,098.79	4,140.29
Add: Purchases	3,202.91	2,598.02
	7,301.70	6,738.31
Less: Closing stock	2,786.47	4,098.79
Cost of material consumed	4,515.23	3,889.67
Material consumed comprises:		
Clay	2,608.93	2,218.59
Glaze & Pigments	1,472.74	1,290.31
Packing Material	432.42	378.75
Other items	1.14	2.02
Total	4,515.23	3,889.67
Purchase of traded goods		
Traded goods	822.73	1,204.31
Total	822.73	1,204.31

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Inventories at the end of the year:		
Finished goods	6,081.59	4,045.59
Work in progress	931.46	2,061.08
Stock-in-trade	-	-
	7,013.05	6,106.67
Inventories at the beginning of the year:		
Finished goods	4,045.59	3,514.75
Work-in-progress	2,061.08	1,916.64
Stock-in-trade	-	-
	6,106.67	5,431.39
Net (increase) / decrease	(906.38)	(675.28)

22. Employee benefits expense		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Salaries and wages	2,035.65	1,803.76
Contributions to provident and other funds	64.23	60.74
Staff welfare expenses	614.69	621.55
Defined Benefit Obligation - Gratuity	18.78	13.04
Defined Benefit Obligation - Leave Encashment	10.32	16.05
Other Employee Benefit Expenses	-	-
Total	2,743.67	2,515.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

23. Finance costs		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a) Interest expense on:		
(i) Borrowings TL CC	860.32	992.02
(ii) Trade payables FC	71.14	184.07
(iii) Others		
Interest on Lease Liabilities	25.65	25.79
Int Security deposits	4.07	4.03
Int Income Tax	-	-
(b) Other borrowing costs	142.64	130.50
Total	1,103.82	1,336.41

24 .Other expenses		
Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Consumption of stores and spare parts	1,151.70	431.97
Consumption of loose tools	-	-
Consumption of packing materials	-	-
Increase / (decrease) of excise duty on inventory	-	-
Subcontracting	-	88.08
Power and fuel	4,966.59	4,727.22
Rent	25.00	25.36
Repairs and maintenance - Buildings	13.47	13.88
Repairs and maintenance - Machinery	36.72	16.39
Repairs and maintenance - Others	164.31	110.89
Insurance	192.00	175.50
Rates and taxes	206.75	162.43
Communication	13.43	16.94
Travelling and conveyance	363.21	291.79
Printing and stationery	25.37	24.78
Freight and forwarding	650.05	646.15
Sales commission	21.25	15.86
Sales discount	213.48	192.45
Export Expenses	19.95	16.32
Business promotion	8.14	14.96
Donations and contributions	1.19	0.44
Legal and professional	162.48	120.29
Payments to auditors	7.20	6.00
Directors Sitting Fees	5.55	8.10
Advertisement & Publicity	1.34	2.69
Sales Promotion Expenses	2.15	1.73
Selling & Distr.expenses-Others	115.26	66.05
Security Charges	21.39	18.73
CSR payments	-	-
Loss on fixed assets sold / scrapped	37.58	-
Miscellaneous expenses	21.67	28.79
Total	8,447.22	7,223.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(i) Payments to the auditors comprises:		
As auditors - statutory audit	3.60	3.00
For taxation matters	0.60	0.50
For management services	0.60	0.50
Reimbursement of expenses	2.40	2.00
Total	7.20	6.00

25 Disclosures under Accounting Standards
25.1 Employee benefit plans
25.1.a DEFINED CONTRIBUTION PLANS

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised **Rs. 38,22,381** (Year ended 31st March, 2023 Rs. 36,48,135) for Provident Fund contributions and **Rs. 19,20,551** (Year ended 31st March, 2023 Rs. 18,50,661) for Superannuation Fund contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of schemes.

25.1.b DEFINED BENEFIT PLANS

The Company offers the following employee benefit schemes to its employees :

i. **Gratuity** : The following tables sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

(Rs. in lakhs)

	Particulars	Year ended 31 st March 2024	Year ended 31 st March 2023
		Gratuity	Gratuity
A	Change in Defined Benefit Obligations (DBO) during the year		
	Defined Benefit Obligation at the beginning of the year	295.56	287.56
	Current service cost	19.21	16.76
	Interest Expense	21.87	20.42
	Benefit Payment from Plan Assets	(3.89)	(76.70)
	Remeasurement - Due to Financial Assumptions	5.53	(3.56)
	Remeasurement - Due to Experience Adjustments	17.79	51.08
	Present value of DBO at the end of the year	356.09	295.56
B	Change in Fair Value of Plan Assets during the year:		
	Fair Value of Plan Assets at the beginning of the year	326.52	378.34
	Interest Income	24.08	24.20
	Actual company contributions	1.75	1.75
	Employers Contribution	(1.12)	(1.07)
	Benefit Payments from Plan Assets	(3.89)	(76.71)
	Plan assets at the end of the year	347.34	326.52
	Actual return on plan assets	19.21	16.76
C	Components of Defined Benefit Cost		
	Current service cost	19.21	16.76
	Interest Expenses on DBO	21.87	20.42
	Interest (Income) on Plan Assets	(24.08)	(24.20)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

	Total Net Interest Cost	(2.21)	(3.78)
	Defined Benefit Cost included in P & L	17.00	12.98
	Remeasurement - Due to Financial Assumptions	5.53	(3.56)
	Remeasurement - Due to Experience Adjustments	17.79	51.08
	(Return) on Plan Assets (Excluding Interest Income)	1.12	1.07
	Total Remeasurements in OCI	24.43	48.60
	Total Defined Benefit Cost recognised in P & L and OCI	41.44	61.57
D	Amount Recognised in the Statement of Financial Position		
	Defined Benefit Obligation	356.07	295.56
	Fair Value of Plan Assets	347.34	326.52
	Fund Status	8.73	(30.96)
	Effect of Assets Ceiling/Onerous Liability	-	-
	Net Defined Benefit Liability/(Assets)	8.73	(30.96)
E	Net Defined Benefit Liability/(Assets) Reconciliation		
	Net Defined Benefit Liability/(Assets) at Beginning of the year	(30.96)	(90.76)
	Defined Benefit Cost included in P & L	17.00	12.98
	Total Remeasurements included in OCI	24.43	48.60
	Employers Contributions	(1.75)	(1.75)
	Net Defined Benefit Liability/(Assets) at end of year	8.73	(30.96)
F	Weighted Average Asset Allocations at the year end		
	Government Bonds	-	-
	PSU bonds	-	-
	Equity Mutual funds	-	-
	Insurance Policies	100%	100%
G	Actuarial assumptions		
	Discount rate	7.10%	7.40%
	Salary escalation	6.00%	6.00%

26. Additional information to the financial statements

	Particulars	As at 31 March, 2024	As at 31 March, 2023
26.1 Contingent liabilities and commitments (to the extent not provided for)			
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt (give details)	-	-
	(b) Guarantees	213.43	163.04
	(c) Letters of Credit Established with Banks	788.22	650.41
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	414.80	63.83
		414.80	63.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006			
	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	123.88	11.91
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

26.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges			
Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:			
Name of the party	Relationship	Amount outstanding as at 31.03.2024	Maximum balance outstanding during the year
Murudeshwar Power Corporation Pvt. Ltd	Associates	-	297.88
RNS Powers Ltd	Associates	167.82	610.15
Note: Figures in bracket relate to the previous year.			
II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:			
As at 31 March, 2024		As at 31 March, 2023	
Payable	Payable in Foreign currency	Payable	Payable in Foreign currency
(Rs. in lakhs)	(indicate amount with currency)	(Rs. in lakhs)	(indicate amount with currency)
-	-	76.96	US\$ 93,600

26.4 Value of imports calculated on CIF basis:			
	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
	Raw materials	-	-
	Components	221.52	105.75
	Spare parts	222.50	321.16
	Total Components and spare parts	444.01	426.90
	Capital goods	107.10	2,742.46
26.5	Expenditure in foreign currency :	For the year ended 31 March, 2024	For the year ended 31 March, 2023
	Travel	19.18	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

26.6	Details of consumption of imported and indigenous items	For the year ended 31 March, 2024	
		(Rs. In Lakhs)	%
	Imported		
	Raw materials	14.51 (9.66)	2.99% 8.20%
	Components	213.96 (79.82)	44.05% 67.80%
	Spare parts	257.26 (28.25)	52.96% 24.00%
	Total	485.73 (117.73)	100.00% 100.00%
	Indigenous		
	Raw materials	4,500.72 (3,880.01)	86.87% 92.30%
	Components	125.80 (83.84)	2.43% 1.99%
	Spare parts	554.68 (240.06)	10.71% 5.71%
	Total	5,181.20 (4,203.91)	100.00% 100.00%
	Note: Figures / percentages in brackets relates to the previous year		

27. Disclosures under Accounting Standards

Segment information			
27.1	<p>The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Ceramic Tiles and Vitrified Tiles. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada and South American countries), Europe, India and Others.</p>		
Business Segments			
	Particulars	Sale of Product	Sales of Services
	Revenue	12,221.27	6,409.54
	Inter-segment revenue	-	-
	Total	12,221.27	6,409.54
	Less: Central Excise	-	-
	Net Revenue	12,221.27	6,409.54
	Segment result	464.39	315.11
	Unallocable expenses (net)	-	-
	Operating income	-	-
	Other income (net)	-	369.40
	Profit before taxes	-	1,148.90
	Tax expense	-	636.14
	Net profit for the year	-	512.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

27.2	Segment assets	49,376.69	1,262.51	50,639.20
	Unallocable assets	-	-	4,129.50
	Total assets	49,376.69	1,262.51	54,768.70
	Segment liabilities	13,947.71	1,001.08	14,948.80
	Unallocable liabilities	-	-	39,819.90
	Total liabilities	13,947.71	1,001.08	54,768.70
	Other information			
	Capital expenditure (allocable)	35,428.98	261.43	35,690.40
	Capital expenditure (unallocable)	-	-	-
	Depreciation and amortisation (allocable)	966.68	233.35	1,200.02

27.3	Related party transactions		
	Details of related parties:		
	Description of relationship		
	Associates	M/s. RNS Infrastructure Ltd M/s. Murudeshwar Power Corp. Pvt. Ltd M/s. Naveen Hotels Pvt. Ltd RNS Motors Pvt. Ltd R N Shetty Trust R N S Trust	
	Key Management Personnel (KMP)	Shri Satish R Shetty Shri Sunil R Shetty Shri Naveen R Shetty Shri Karan S Shetty	
	Relatives of KMP	Sudha R Shetty	
	Company in which KMP / Relatives of KMP can exercise significant influence	Above mentioned Associate Companies	
	Note: Related parties have been identified by the Management.		

Details of related party transactions during the year ended 31 March, 2024 and balances outstanding as at 31 March, 2024:

	Associates	Total
Purchase of goods	414.16	414.16
	(590.27)	(590.27)
Sale of goods	80.67	80.67
	(64.85)	(64.85)
Purchase of Fixed Assets	4.00	4.00
	(115.50)	(115.50)
Rendering of services		
RNS Infrastructure Ltd	7,435.07	7,435.07
	(6,449.96)	(6,449.96)
Commission	350.00	350.00
	-	-
Receiving of services	17.10	17.10
	(5.05)	(5.05)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in Lakhs)

Dividend Received	29.79	29.79
	(63.30)	(63.30)
Issues of Equity	937.65	937.65
	(370.90)	(370.90)
Issues of Share Warrant	-	-
	(401.85)	(401.85)
Balances outstanding at the end of the year	147.09	147.09
	(8.96)	(8.96)
Note: Figures in bracket relates to the previous year		

28. Disclosures under Accounting Standards

Particulars		For the year ended 31 March, 2024	For the year ended 31 March, 2023
28.1	Earnings per share		
	Basic		
28.1.a	Continuing operations		
	Net profit / (loss) for the year from continuing operations	486.07	617.76
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	486.07	617.76
	Weighted average number of equity shares	5,80,62,246	5,70,08,413
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	0.84	1.08
28.2	Income Tax Expenses in Profit & Loss Account		
	Consist of following:		
	Current Tax	192.04	105.88
	Prior Period Tax	-	-
	Deferred Tax	344.07	76.77
	MAT Credit Entitlement	201.41	120.83
	MAT Credit Reversal	292.07	-
	Total Tax Expenses	626.77	61.82
	Reconciliation of taxes to the amount computed by applying the statutory income tax rates to the income before taxes is summarised below:		
28.3	Profit before taxes:	1,148.90	737.07
	Applicable rate	27.82%	27.82%
	Computed tax charges	192.04	105.88
	Less : Tax effected due to difference in tax rates	-	-
	Less : Reversal of Excess provision for previous year	-	-
	Add: (Increase) Decrease in Deferred tax liability	344.07	76.77
	Less : Increase (Decrease) in Deferred Tax Asset	-	-
	Less: Mat credit entitlement	201.41	120.83
	Add : Mat Credit Reversal	292.07	-
	Total Tax Expenses	626.77	61.82
	Less : Total Tax Expenses as per P & L	626.77	61.82
	Balance	Nil	Nil

ROUTE MAP OF AGM VENUE:





MURUDESHWAR CERAMICS LIMITED

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

CIN: L26914KA1983PLC005401

41st ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Regd. Folio No/Client ID

Name & Address of First/Sole Shareholder

E-mail ID

No. of Shares

I hereby record my presence at the Annual General Meeting of the Company to be held on Saturday, 21st day of September, 2024 at 3.00 PM. IST at Hotel Naveen, Unkal Lake, Hubli - Dharwad Highway, Bairidevarkoppa, Hubballi – 580025, Karnataka.

Signature of the Member / Proxy

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

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

MURUDESHWAR CERAMICS LIMITED

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

CIN: L26914KA1983PLC005401

41st ANNUAL GENERAL MEETING**FORM NO. MGT-12****POLLING PAPER**

[pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the First Named Shareholder (In block letters)	
Postal address	
Registered folio No. /Client ID No.	
Class of Share	EQUITY
No. of Shares held	

I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) / Special Resolution(s) as specified in the Notice dated July 31, 2024 to be passed through Poll for the businesses stated in the said notice of the 41st Annual General Meeting on Sept 21, 2024 by conveying my/our assent or dissent to the said Resolution in the relevant box below:

Sl. No.	Resolutions	Type of resolution	I/We assent to the resolution (For)√	I/We dissent to the resolution (Against)√
1.	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.	Ordinary		
2.	To appoint a director in place of Shri Sunil Rama Shetty (DIN 00037572, who retires by rotation and being eligible, offers himself for reappointment.	Ordinary		
3	To declare a dividend on equity shares for the financial year ended March 31, 2024	Ordinary		
4	Approval for re-appointment of M/s. K.G. Rao & Co., (Firm Registration No. 010463S), as the Statutory Auditors of the Company	Ordinary		
5	To approve existing and new Material Related Party Transaction(s) with RNS Infrastructure Limited (RNSIL) in terms of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013	Ordinary		
6	Appointment of Shri Vishwanath Shetty (DIN: 10694435) as an Independent Director of the Company	Special		
7	Appointment of Shri Vittal Kadekar Menaka Shetty (DIN: 10695560) as an Independent Director of the Company	Special		
8	Appointment of Smt. Shakunthala Shetty (DIN: 10704086) as an Independent Director of the Company	Special		

Place: Hubballi

Date : 31.07.2024

Signature of Member /Proxy / Authorised Representative

Note : Please see overleaf for instruction on voting

GENERAL INSTRUCTIONS TO SHAREHOLDERS FOR FILLING THE POLL PAPER

Regarding Putting √ (Tick) Mark

- Please cast your vote by putting a mark in either of the boxes provided in the poll paper.
- If you want to cast your vote in favour of the resolution, you have to put a √ mark in the box “**I assent to the resolution**”.
- If you want to cast your vote against the resolution, you have to put a X mark in the box “**I dissent to the resolution**”.
- If you put a √ mark in both the boxes, your vote will be treated as **invalid**.
- If you do not put √/X mark in either of the boxes, the poll paper will be treated as **invalid**.
- If you put a mark other than a √ mark, says **X (Cross)** etc... your vote will be treated as **invalid**.
- If you are voting separately as a **Shareholder / Proxy/Authorised Representative**, you should use separate Polling Paper to vote as **Shareholder / Proxy/Authorised Representative** respectively.

Reading Folio No./DP Id & Client ID No's

- In case you hold shares in physical form, please write your Folio No. at the place provided for in the poll Paper.
- In case you hold shares in dematerialised form, please write your DP Id & Client ID at the place provided for in the poll paper.

Regarding Signing and Deposit of Poll Paper

- This form should be completed and signed by the member (as per the specimen signature registered with the Company). Unsigned and incomplete Forms will be **rejected**.
- In case you are **voting in person**, you must sign as per the **specimen signature** registered with the Company. In such case please strike out the words “**Proxy/Authorised Representative**”.
- In case you are **voting as a Proxy**, then, after signing strike out the words “**Shareholder / Authorised Representative**”.
- In case you are voting as **Authorised Representative**, then after signing strike out the words “**Shareholders / Proxy**”. If you do not sign the Poll Paper, your vote will be **invalid**. After filling in the poll paper, please **deposit** the same in the **Ballot Box**.

Joint Holder

- Any of the joint holders is entitled to vote. However, if two or more joint holders are personally present at the meeting, then the shareholders whose name stands first or higher (as the case may be) is alone entitled to vote.
- Joint holders attending the meeting should write the name of the first holder as also his name in serial No.1 of the poll paper.

E-voting /Poll

- A member can opt for only one mode of voting i.e. either through e-voting or by poll.
- If a member cast his vote through e-Voting, then the voting done through e-Voting shall prevail and his vote through Poll shall be treated as invalid.
- Mr. Sunil J Shah, Practicing Company Secretary has been appointed as the Scrutinizer and his decision on the validity of the vote shall be final. However, in case of ambiguity about the validity of a proxy, the Scrutinizers shall decide the validity in consultation with the chairman.
- Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing mediums like pencil.



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

Phone : 0836 - 2331615 / 18

Email : mclho@naveentile.com

Corporate Office : Naveen Complex, 7th Floor, No.14, M.G. Road, Bengaluru - 560001

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