

MCL: SEC: AUG: 2022

Date: 24.08.2022

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

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

Sub.: Notice along with Annual Report of 39th Annual General Meeting of the Company.

Dear Sir/ Madam,

We wish to inform you that the 39th Annual General Meeting (AGM) of the Company will be held on Thursday, 22nd September, 2022 at 3:00 P.M. at Shri R N Shetty Kalyana Mantapa, opposite Indira Glass House, Hubli-580029.

In this respect, please find enclosed the Notice of 39th Annual General Meeting along with Annual Report of the Company for the financial year 2021-22.

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 15, 2022 to Thursday, September 22, 2022 (both days inclusive)**, for the purpose of 39th Annual General Meeting.

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

Thanking you.

Yours faithfully.

For Murudeshwar Ceramics Limited


Ashok Kumar
Company Secretary &
Compliance Officer



Encl.: As Above

39th
ANNUAL
REPORT

2021-2022



BOARD OF DIRECTORS & KMP
Shri SATISH R SHETTY

Chairman & Managing Director

Dr. S.S. HIREMATH

Independent Director

Shri ANNAPPAYYA

Independent Director

Shri SANKAPPA K SHETTY

Independent Director

Smt. SARVANI ALVA

Independent Director

Shri SATHYA MURTHY PADAKI

Independent Director

Shri SUNIL R SHETTY

Non-Executive Director

Shri NAVEEN R SHETTY

Non-Executive Director

Shri KARAN SATISH SHETTY

Whole Time Director

Shri N M HEGDE

Vice President (Finance) & CFO

Shri ASHOK KUMAR

Company Secretary & Compliance Officer

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COMMITTEES OF THE BOARD OF DIRECTORS
❖ AUDIT COMMITTEE

Shri Sankappa K Shetty – Chairman

Shri Satish R Shetty – Member

Shri Annappayya – Member

❖ NOMINATION & REMUNERATION COMMITTEE

Shri Annappayya – Chairman

Shri Sankappa K Shetty – Member

Dr. S S Hiremath – Member

❖ STAKEHOLDERS GRIEVANCE COMMITTEE

Shri Annappayya – Chairman

Shri Satish R Shetty – Member

Shri Sankappa K Shetty – Member

❖ CSR COMMITTEE

Shri Satish R Shetty – Chairman

Dr. S S Hiremath – Member

Shri Naveen R Shetty - Member

❖ EXECUTIVE COMMITTEE

Shri Satish R Shetty

Shri Sunil R Shetty

Shri Naveen R Shetty,

Shri Annappayya

Shri Sankappa K Shetty

Shri Karan S Shetty

OTHER DETAILS

❖ **STATUTORY AUDITORS**

M/s. K G RAO & Co.,
Chartered Accountants, Bengaluru

❖ **BANKERS**

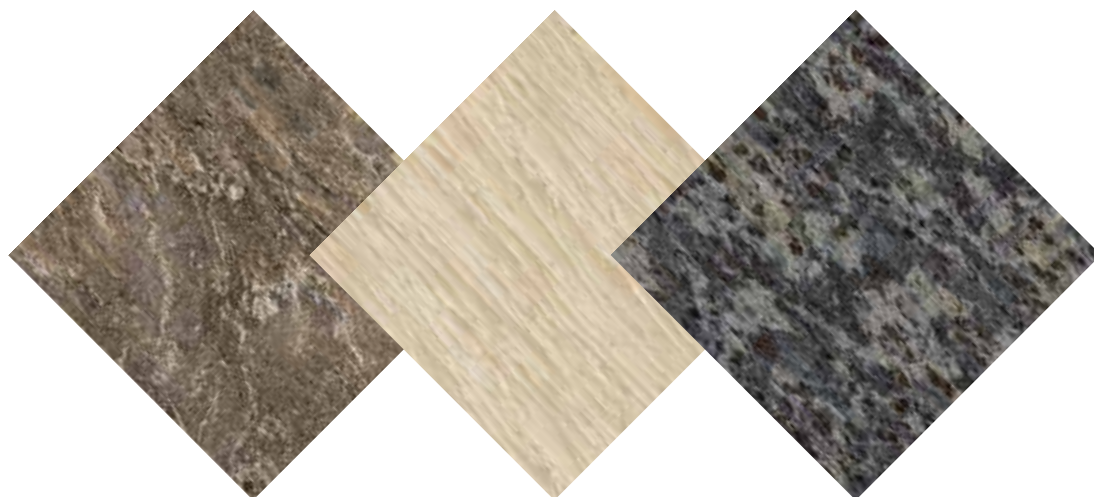
CANARA BANK
STATE BANK OF INDIA
BANK OF BARODA
THE LAKSHMI VILAS BANK LTD
AXIS BANK LTD
PUNJAB NATIONAL BANK

❖ **REGISTERED OFFICE**

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

❖ **PLANTS**

- Sy. No. 139, 141/1, Huildore Village, Bukkapatna Hobli, Tal : Sira, Dist. : Tumkur, Pin Code : 572 137
- 143, Ilayancudy Road, Devamapuram Village, Thirunallar Commune, KARAIKAL - 609607, Puducherry (U.T.) Ph: 04368-236899 / 236599, Fax: 04368-236805



NOTICE OF 39TH ANNUAL GENERAL MEETING

To,
The Members,

Notice is hereby given that the 39th (Thirty Ninth) Annual General Meeting (AGM) of the Members of Murudeshwar Ceramics Limited will be held on Thursday, 22nd day of September, 2022 at 3.00 P.M. IST at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi – 580 029, to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, 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 the Audited Standalone and Consolidated Financial Statements (including the balance sheet of the Company as at March 31, 2022 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, 2022, 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 Satish Rama Shetty (DIN 00037526), 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 Satish Rama Shetty (DIN 00037526), as a director without affecting his current position, who is liable to retire by rotation.”

SPECIAL BUSINESS:

3. **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:**

To consider, and if thought fit, to pass the following Resolution 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 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, 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 Ltd. (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 2022-2023 and upto the date of next Annual General Meeting to be held in the year 2023, 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. 75.00 Crores (Rupees Seventy-Five Crores 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.”

4. Approval under Section 180(1) of the companies Act, 2013 and rules made thereunder:

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

“RESOLVED THAT pursuant to the provisions of section 180(1) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the company be and is hereby accorded to the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation; to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company’s bankers in the ordinary course of business and to remit, or give time for the repayment of, any debt due from a director. And to hypothecate, mortgage (simple or equitable), charge and/or in any other way encumber, all or any of the moveable/ current/ fixed/ immoveable assets of the Company, both present and future, and/or whole or any part of undertaking(s) of the Company, together with powers to take over the management of the business and concern of the Company in certain events of default, in favour of any Lender(s), Agent(s) and/or Trustee/s, as the case may be, for the purpose of securing the borrowings of the Company availed/to be availed by way of loan(s), working capital assistance, issue of debentures / bonds / notes and/or any other debt instruments issued/to be issued by the Company, from time to time, together with interest, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, premium on prepayments, and all other incidentals and levies, as may be applicable under respective agreements, deeds, writings, trust deeds or any other kind of documents as may be agreed to by and between the Board and the Lenders, their agents, trustees, as the case may be, in respect of the said loans/ borrowings/ debentures/ bonds or other securities together with the moneys already borrowed by the Company in the ordinary course of business, may exceed the aggregate of the paid up share capital and free reserves of the company, provided however that the total amount so transacted by the Board of directors subject to maximum limit of Rs. 500.00 Crores (Rupees Five hundred Crores only)”.

“RESOLVED FURTHER THAT the Board do hereby authorize any director 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.”

5. 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:

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

“RESOLVED THAT pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014, (including any Statutory modification or re-enactment thereof, for the time being in force), consent of the members of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the power conferred on the Board by this resolution) to make loans or investments, in one or more tranches by subscription, purchase or otherwise in subsidiary(ies)/ any person/ bodies Corporate in India or abroad (existing or which may be promoted/ incorporated), in any kind of securities, or by providing of guarantee or security in connection with a loan made by any other person to any associate or group companies, Body corporates in India or abroad (existing or which may be promoted or incorporated) in excess of limit prescribed in section 186 of Companies Act, 2013 but subject to maximum limit of Rs. 500.00 Crores (Rupees Five hundred Crores only)”.

“RESOLVED FURTHER THAT the Board do hereby authorize any director of the company severally to finalize and negotiate the terms and conditions of the said investment, loan and guarantee and provision of security on behalf of the company as it may deem fit in the interest of the company, to take all such actions and to settle all matters arising

out of and incidental thereto, and to sign and execute all deeds, applications, documents and such investments, loans, guarantees and provisions of security and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

6. Approval under section 185 of the companies Act, 2013 and rules made thereunder:

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

“**RESOLVED THAT** pursuant to the provisions of section 185 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014, (including any Statutory modification or re-enactment thereof, for the time being in force), subject to the approval from any statutory authority, the consent of members of the company be and is hereby accorded for making of loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any loan taken by any person in whom any of the director of the company is interested (as per section 185(2) explanation- (a) to (c)) but subject to a maximum limit of Rs. 500.00 Crores (Rupees Five hundred Crores only)”.

“**RESOLVED FURTHER THAT** the Board do hereby authorize any director of the company severally to finalize and negotiate the terms and conditions of the said investment, loan and guarantee and provision of security on behalf of the company as it may deem fit in the interest of the company, to take all such actions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and such investments, loans, guarantees and provisions of security and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving 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 : August 12, 2022**

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 prove his identity at the time of attending the Meeting. Member may please note that a proxy does not have the right to speak at the Meeting and cannot vote on poll.
- (4) 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. 02/2022 dated 05.05.2022 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/ CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the SEBI, notice of the AGM along with the Annual Report for the FY: 2021-22 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: 2021-22 will also be available on the Company’s website www.naveentile.com, 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.
- (5) Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution

together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

- (6) Any document/ Proxy Form in connection with the Annual General Meeting of the Company signed by any person for and on behalf of any Institution, Bank, Body Corporate etc., will be valid, only if such document/proxy form is supported by a duly authenticated copy of the Resolution of the Board of Directors authorizing such person to sign such document and/ or to represent such Institution, Bank, Body Corporate etc., as the case may be.
- (7) The relevant details as required under Regulations 26(4) and 6(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and secretarial standard on General meetings issued by the Institute of Company Secretaries of India in respect of a Person/ Director seeking appointment/ re-appointment as Directors are provided in the explanatory part to this Notice and also may be refer in the Corporate Governance part of Annual Report.
- (8) 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. 3 to 6 to be transacted at the Meeting is annexed hereto.
- (1) 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.
- (2) 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.
- (3) Documents pertaining to items referred to in the Notice are available for inspection by any member/s at the Registered Office of the Company on any working day from 2 p.m. to 6 p.m. upto the date of Annual General Meeting.
- (4) Register of Members/Transfer books of the Company will be closed from Thursday, September 15, 2022 to Thursday, September 22, 2022 (both days inclusive).
- (5) Members seeking any information/clarification concerning the Accounts for the financial year 2021-22 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.
- (6) 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.
- (7) Please also refer “General Information to Shareholders” in the annexure to Corporate Governance Report forming part of this Annual Report.
- (8) 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.
- (9) 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_RTAMB/P/ CIR/2021/655 dated November 3, 2021.
 - 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.
- (10) 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.
- (11) 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.
- (12) In terms of the provisions of Section 152 of the Act, Shri Satish Rama Shetty (DIN:00037526), Director of the Company, retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re- appointment.
- (13) 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.
- (14) please refer last page of Annual Report for AGM Location Map.
- (15) 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.
- (16) 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 22, 2022. 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 19, 2022 (9.00 a.m. IST) and ends on September 21, 2022 (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 14, 2022 (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 14, 2022 (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.
	<ol style="list-style-type: none"> 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>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>a. 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.</p> <p>b. 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.</p> <p>c. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. of NSDL.</p> <p>d. 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</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants.</p>	<p>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.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants.</p>	<p>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.</p>

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
<p>Individual shareholders holding securities in demat mode with NSDL</p>	<p>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</p>
<p>Individual shareholders holding securities in demat mode with CDSL</p>	<p>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</p>

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 118021001***

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. 3: 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:

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 2022-23, 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. 3 of the Notice, during the financial year 2022-2023, 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 30, 2022 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. 3 of the accompanying Notice. Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22nd November, 2021 is provided herewith:

Sl. No.	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. 75.00 Crore for FY: 2022-23
8	Tenure of the Proposed transactions	1 year
9	Justification as to how these RPTs is in the interest of the Company	Contracts / Arrangement(s) are commercially beneficial for your 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.	60%
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. 3 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. 4: Approval under Section 180(1) of the companies Act, 2013 and rules made thereunder:

As per the provisions of section 180(1) of the Companies Act, 2013 the Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely:—

- a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;
- b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business;
- d) to remit, or give time for the repayment of, any debt due from a director.

The Board of directors of a company could borrow money together with the moneys already borrowed by the Company in the ordinary course of business, to the extent of paid up share capital and free reserves of the company and for borrowing moneys in excess of the Paid up share capital and Free reserves, the approval of the members of the company in General Meeting by way of Special resolution has to be obtained.

The Company borrow funds and may borrow funds from time to time for business and operational purposes and some time it may exceed the paid up capital and free reserve and therefore it is required to obtain approval of the members by way of special resolution in general meeting and to authorize the Board to borrow funds in excess of the paid up share capital and free reserves. Hence, the Company want to secure the compliances in advance.

Your board decided to increase the limit under section 180(1) (a), (b), (c) and (d) the fund upto 500.00 Crores (Rupees Five hundred Crores only) and recommends to the members for their approval by way of a Special resolution.

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 extent to their shareholding and directorship.

ITEM No. 5: 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:

As per provisions of section 186 of the Companies Act, 2013 the Board of directors of a company could give any loan, guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities by way of subscription, purchase or otherwise to any person or body corporate to the extent of sixty percent of paid up share capital, free reserves and securities premium or one hundred per cent of its free reserves and securities premium account whichever is more and for giving any loan or providing guarantee and/or security in excess of limit specified above, the approval of the members of the company in General Meeting by way of Special resolution has to be obtained.

The Company may give loan and guarantee to any person and make investments by acquiring securities by way of purchase or subscription or otherwise from time to time. So, it is proposed to increase the limit of giving any loan or guarantee or providing security to anybody corporate or any other person and to invest funds upto 500.00 Crores (Rupees Five hundred Crores only) and hereby recommends to the members of the company for their approval by way of a Special resolution.

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 extent to their shareholding and directorship.

ITEM No. 6: Approval under section 185 of the Companies Act, 2013 and rules made thereunder:

The Company's principal business activities inter alia consist of manufacturing of Ceramics and Vitrified Tiles. The Company may be required to make loan(s) including loan represented by way of Book Debt (the "loan") to, and/or give guarantee(s) and/or provide security(ies) in connection with any loan, including loan represented by way of Book debt, if any (the "Loan") taken/ to be taken by the Company. The said Loan(s)/ guarantee(s)/ security (ies) shall be utilised by the company for its principal business activities and the matters connected and incidental thereto (the "Principal Business Activities").

Section 185 (1) of the Companies Act, 2013 provides that no company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by,—

- (a) any director of company, or of a company which is its holding company or any partner or relative of any such director;
or

(b) any firm in which any such director or relative is a partner.

(2) A company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that—

(a) a special resolution is passed by the company in general meeting:

Provided that the explanatory statement to the notice for the relevant general meeting shall disclose the full particulars of the loans given, or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security and any other relevant fact; and

(b) the loans are utilised by the borrowing company for its principal business activities.

hence consent of the members is being sought by way of a special resolution pursuant to the above provisions of the Act for making of Loan(s) to, and/or giving of guarantee(s), and/or providing of security (ies) in connection with any Loan taken/ to be taken an aggregate outstanding amount not exceeding 500.00 Crores (Rupees Five hundred Crores only) and necessary delegation of authority to the Board for this purpose. Your directors recommend the resolution set out at Item no. 5 to be passed as a special resolution by the members.

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 extent to their shareholding and directorship.

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:

(Rs. in lakhs)

Particulars	2021-22	2020-21	2019-20
Turnover	12,291.63	8048.95	10317.22
Profit/(Loss) Before Tax	372.08	(1594.67)	331.00
Profit/(Loss) After Tax	271.35	(1211.24)	144.87
Dividend (%)	Nil	Nil	Nil

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

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

Sd/-

Ashok Kumar

Company Secretary

M. No. ACS 40962

Place : Bengaluru

Date : August 12, 2022

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your company have pleasure in presenting 39th (Thirty-Ninth Annual Report) on the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHT/ RESULTS OF THE COMPANY:

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

(Rs. in Lakhs)

Particulars	Current Financial year 2021-22		Standalone Financial Year 2020-21
	Standalone	Consolidated	
Revenue from Operations	12291.63	12291.63	8048.95
Other Income	141.58	141.58	126.24
Total Income	12433.21	12433.21	8175.19
Operational Expenditure	10276.00	10276.00	7153.38
Increase/(Decrease) in stock (WIP)	(572.14)	(572.14)	(1.09)
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	2729.35	2729.35	1022.90
Less: Depreciation/ Amortisation/ Impairment	1027.52	1027.52	1024.97
Profit /loss before Finance Costs, Exceptional items and Tax Expense	1701.83	1701.83	(2.07)
Less: Finance Costs	1329.75	1329.75	1592.60
Profit /loss before Exceptional items and Tax Expense	372.08	372.08	(1594.67)
Add/(less): Exceptional items	-	-	-
Profit /loss before Tax Expense	372.08	372.08	(1594.67)
Less: Tax Expense-			
• Current Tax			
• Prior Period Tax			
• Deferred Tax	157.38	157.38	412.18
• MAT Credit Entitlement (reversed)	-	-	(4.97)
Profit /loss for the year (1)	214.70	214.70	(1187.46)
Total Comprehensive Income/loss (2)	56.65	56.65	(23.78)
Total (1+2)	271.35	271.35	(1211.24)
Profit/ loss of associate (RNS Power Ltd.)	-	(48.95)	-
Total Comprehensive Income/loss	271.35	222.40	(1211.24)
Earning per equity Share : Basic	0.49	0.40	(2.48)
: Diluted	0.47	0.39	(2.42)

OPERATIONAL PERFORMANCE IN SEGMENTS:

Despite of the challenges brought up by the second and third waves by the Covid-19 and Multiple challenges viz., high input costs & supply chain disruptions due to global events and economic uncertainty, significant escalations in raw material and energy Costs, your company has performed during the year under review as under:

Standalone: the sale of products has increased by 38.73% at Rs. 8224.24 lakhs in compared to Rs. 5928.33 lakhs of the previous year and sale of services has marginally increased by 91.81% at Rs. 4054.22 lakhs in compare to Rs. 2113.66 Lakhs of the previous year. Therefore, the company has increased its overall sale by 52.71% at Rs. 12291.63 Lakhs in compare to Rs. 8048.95 lakhs of previous year.

Consequence to the above increase and decrease in sales of the products and services, the Company has earned profit of Rs.271.35 lakhs in compared to loss of Rs. (1211.24) lakhs in the previous year.

Consolidated: the sale of products has increased by 38.73% at Rs. 8224.24 lakhs in compared to Rs. 5928.33 lakhs of the previous year and sale of services has marginally increased by 91.81% at Rs. 4054.22 lakhs in compare to Rs. 2113.66 Lakhs of the previous year. Therefore, the company has increased its overall sale by 52.71% at Rs. 12291.63 Lakhs in compare to Rs. 8048.95 lakhs of previous year.

Consequence to the above increase and decrease in sales of the products and services, the Company has earned profit of Rs.222.40 lakhs after taking in to consideration of loss from its associate in compared to loss of Rs. (1211.24) lakhs in the previous year.

THE IMPACT ON BUSINESS & HEALTH DUE TO OUTBREAK OF COVID-19 PANDEMIC:

Covid-19 is an incomparable global public health emergency that has affected almost every industry, and the long-term effects are projected to impact the industry growth for next five years according to a research report. In the first three months of F.Y.: 2022, the second wave of the pandemic overwhelmed India's medical infrastructure. Through this trying period, hospitalization support was provided and Covid care centers were opened and it may be seen, that changes in consumer behavior and demand, purchasing patterns, re-routing of the supply chain, dynamics of current market forces, and further, the significant interventions of governments, the Russian Invasion of Ukraine in the latter half of the year. Geopolitical turbulence arising from the war in Ukraine and restraints on trade have resulted in economic volatility. This has rendered companies and economies more vulnerable to commodity price disruptions oil and natural gas.

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

During the year under review your company has incurred a capital expenditure of Rs. 959.74 lakhs which comprises of Rs. 299.78 lakhs in Building, Rs. 517.35 in Plant and Equipment, Rs. 6.35 lakhs in Computers, Rs. 36.47 lakhs in Office Equipment, Rs. 0.00 lakhs in Furniture & Fixtures and Rs. 99.78 lakhs in Vehicles.

LIQUIDITY:

Liquidity enables us to be agile and ready for meeting unforeseen strategic and business needs. We believe that our working capital is sufficient to meet our current requirements. The principal sources of liquidity of your Company consist of cash and cash equivalents and the cash flow that we generate from our business operations. For the financial year ended March 31, 2022 your company has Rs.604.65 lakhs in account of cash and cash equivalents.

BASIC EPS:

The Basic Earnings per Share has increased/ improved from negative to positive from (2.48) of previous year to 0.49 of current year 2021-22.

DIVIDEND:

During the year under review the Board of Directors of your company, after considering holistically the relevant circumstances and financial performance of the company, has decided that it would be prudent, not to recommend any dividend for the financial year 2021-22 and intent to reduce the finance cost as early as possible.

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

The Board, at its meeting held on February, 12, 2022, has allotted equity shares by converting warrants convertible into equity shares the details of which has been given under the head of Share Capital of this report.

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

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

Your company focus mainly on product, price, promotion, place, people, process and physical evidence that build a sustainable and resilient organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable returns for our investors and contributing to the communities that we operate in. We are following the Four R's of B2B Sales in Response to our valued customers' demand as under:

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

- **Reflect:** Track pipeline orders and deal risks, Review sales teams and make necessary tweaks, scan competitive landscape to look for opportunities, Cut down on all non-essential costs.
- **Reimagine:** Digitize got to market strategy, digitize lead building and management, update our offering and pricing, Data Analysis for better business development, Track emerging trends.
- **Rebound:** Scale digital sales and inside sales, online meetings with key decision makers and architects, personalise account engagement with joint marketing and sales tactics, Optimising supply chain to reduce costs.

Apart from the above, and in keeping view with modern times, your company has also an active presence on social media marketing approach to reach its key target customers. To accomplish this, your company has increased its marketing investments across the online and Social Media space.

RESEARCH AND DEVELOPMENT (R & D):

The Research & Development wing of the Company is always trying to give new look and design of company's products to meet valued customers' demand and to meet international standards and certification requirements and has successfully developed new varieties of tiles with improved body matrix, quality and cost-effective product range.

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

During the year under review the Company has acquired 237200 equity shares in RNS Power Limited (a Group Company) and already holding was 72942 equity shares. Thus, total holding is 310142 which is 26.10% of paid-up capital of RNS Power Limited. Therefore, RNS Power Limited is become 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.

Except the above your company does not have any Subsidiary, Joint ventures Companies and neither company has become or ceased to be subsidiaries and joint ventures during the financial year 2021-22.

TRANSFER TO RESERVES:

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review. The particulars of reserves of the Company for FY: 2021-22 and the previous year are as follows:

Particulars	F.Y: 2021-22	F.Y: 2020-21
Capital Reserve	15.80	15.02
Capital Redemption reserve	1600.00	1600.00
Securities premium account	13329.25	12739.33
General Reserve	12795.85	12795.85
Profit and Loss Account	476.46	277.85

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

RISK MANAGEMENT:

The Risk Management Team of the company is constituted from time to time to look into various risks faced by it and various risks exist in the market and the team ensures that the Company has appropriate and effective risk management systems which carries out risk identification, assessment and ensures that risk mitigation plans are in place. 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.

BOARD DIVERSITY:

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

At present, your company have an appropriate mix of executive, non-executive, women and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2022, the Board had nine members, two of whom are executive directors, two of whom are non-executive and non-independent directors and five are independent directors. One of the independent directors of the Board is a woman.

APPOINTMENT OR REAPPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Satish Rama Shetty (00037526), Chairman & Managing Director of the Company, who is liable to retire by rotation based on his appointment terms, offered themselves for re-appointment at the ensuing Annual General Meeting ('AGM'). The Board recommends for their re-appointments in the ensuing Annual General Meeting.

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

Shri Satish Rama Shetty – Chairman & Managing Director;

Shri Karan Satish Shetty - Whole Time Director;

Shri Narayan Manjunath Hegde - Chief Financial Officer; 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 and the Company has received Disclosure of Interest in form MBP-1 as per section 184 of the act and intimation by all the Directors for qualification to continue their directorship in form DIR-8 Pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014. The Board also confirms that all the Independent Directors fulfill the Conditions as specified in the above regulation and the companies Act, 2013 and rule made thereunder.

EVALUATION OF THE BOARD'S PERFORMANCE:

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 terms of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Each member of the Board completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as the composition, execution of specific duties, quality, quantity and timelines of flow of information, deliberations at the meeting etc., Besides this, one meeting of the individual directors with the Chairman of the Board was also conducted as a part of self-appraisal. The Directors were also asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its committees.

In a separate meeting of independent Directors, performance of non-independent Directors and the board as a whole was evaluated. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent Director being evaluated.

HUMAN RESOURCES DEVELOPMENT:

We have reimagined our employee value proposition, to make it more meaningful to our employees. The Company is providing appropriate training and guidance to its employees from time to time for reskill them and making them for more valuable for the Company. 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 292.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

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

COMMITTEES OF THE BOARD:

The following substantive 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.

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 Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes, recommendation for appointment of KMPs and Directors to the Board and also independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

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

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

All related party transactions, that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. Further, there are no any such type of significant related party transactions during the year under review made by the Company with promoters, Directors, Key Managerial Personnel or designated persons which may have a potential conflict with the interest of the Company at a large. The details of which is given as AOC-2 in Annexure-4.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has duly constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors and also has formulated a CSR Policy indicating the activities to be undertaken by the Company. The constitution of CSR Committee is disclosed in Corporate Governance Report. The CSR policy may be accessed on the Company's website at www.naveentile.com. The Contribution against CSR has been made by the company for the financial year 2021-22 based on the average net profit of last three year of the Company. Details has been appended hereto and forms part of this Report as Annexure-5.

DEPOSITS:

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

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

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

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, 2022.

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 for Covid Loan to the extent and subject to the limit approved by the members of the Company, guaranteeing the repayment of the Credit Facility along with interest in favour of Canara Bank being the lead banker in consortium finance among other bankers including State Bank of India, Karnataka Bank Ltd., Union Bank of India and HDFC Bank for and on behalf of RNS Infrastructure Limited, a Group company of the Company and the details of investments and loans if any, are provided in the schedules to the financial statements.

CREDIT RATINGS:

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

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

ANNUAL RETURN AND THE WEB ADDRESS:

In terms of Section 92(3) and section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2022 is available on the Company's website on <https://www.naveentile.com/investor-relation>.

STATUTORY AUDITORS:

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

AUDITOR'S REPORT:

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. No qualification, adverse remarks or disclaimer have been made by the Statutory Auditors with regard to the financial statements for the financial year 2021-22.

INDIAN ACCOUNTING STANDARDS:

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

SECRETARIAL AUDITOR AND REPORT:

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

POLITICAL CONTRIBUTION:

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

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

In terms of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained certificate from Practising Company Secretary with respect to disclosure/ declaration/ representation received from the directors and taken on record by the Board of Directors, as on March 31, 2022, none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority. The above said Certificate is appended hereto and forms part of this report as Annexure-7.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:

Management Discussion and Analysis Report for the financial year 2021-22, in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, forming part of this report, has been given under separate section in this Annual Report.

CORPORATE GOVERNANCE:

In terms of Regulation 27 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and relevant sections of the Companies Act, 2013, Report on Corporate Governance and Auditors' Certificate are included in the Annual Report. The Compliance Certificate from the auditors regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 from the period 01.04.2021 to 31.03.2022 is annexed with this report.

POLICIES:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROL:

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

FAMILIARISATION PROGRAM:

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

SHARE CAPITAL:

During the year under review the Company has allotted 2616559 equity shares to Murudeshwar Power Corporation Private Limited by, a promoter group conversion of equal number of warrants as shown in tabular forms on preferential basis:

Name of Allottees (Promoters Group)	Allotment of equity shares by conversion of warrants	Face Value (In Rs.) Equity Share	Issue Price (In Rs.)
	1st Tranche (FY: 2021-22)		
Murudeshwar Power Corporation Private Limited	2616559	10.00	18.00
Total	2616559	10.00	18.00

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

Hence, authorised share capital remains the same of Rs. 7162.00 Lakhs and the Paid-up Equity Share Capital has been increased from Rs. 5233.13 lakhs to Rs. 5494.78.

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 to prohibit the insider trading, to govern the fair disclosure of unpublished price sensitive information and to attain equality of access to such information with a view to regulate trading in securities by the Directors and designated employees of the Company. All Directors and the designated employees have confirmed compliance with the Code.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal financial controls were adequate and effective during the financial year 2021-22.

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:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures there from;
- b. 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;
- c. 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;
- d. They have prepared the annual accounts on a going concern basis;
- e. 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;
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPRECIATION AND ACKNOWLEDGEMENT:

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

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

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

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

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

**Place: Bengaluru
Date: 12.08.2022**

ANNEXURE – 1 : DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:
FORM: AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries companies.

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	31.03.2022
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	724.47
6	Profit or Loss for the year	
	(i) Considered in Consolidation	(48.95)
	(ii) Not Considered in consolidation	N. A

By and on behalf of the Board
For Murudeshwar Ceramics Limited
 Sd/-

Satish Rama Shetty
Chairman & Managing Director
 DIN: 00037526

By and on behalf of the Board
For Murudeshwar Ceramics Limited
 Sd/-

Naveen Rama Shetty
Director
 DIN: 00058779

Place: Bengaluru
Date: 12.08.2022

ANNEXURE – 2: 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, 2022 in respect of employees of the Company is as follows:

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

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Shri Satish Rama Shetty	25.64
Shri Karan Satish Shetty	08.90

The median remuneration of employees of the Company during the Financial Year was Rs. 2.81 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.

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

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

- c) The percentage increase in the median remuneration of employees in the financial year: 10.85%
d) The number of permanent employees on the rolls of the company: 292
e) The explanation on the relationship between average increase in remuneration and company performance

Sl. No.	Particulars	Explanation
1.	Increase in median remuneration of employees has been 10.85%	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. -1211.24 lakhs (2020-21) to Rs. 222.40 lakhs (2021-22)	

- 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	19.35%
2.	Shri Karan Satish Shetty	6.72%
3.	Shri N.M. Hegde	5.02%
4.	Shri Ashok Kumar	3.78%

- g) Market and financial performance related information:

Particulars	March 31, 2022	March 31, 2021	% Change
Market Capitalization (Rs. lakhs)	13874.33	9995.28	38.81
P/E Ratio	63.13	-7.70	100.18

(Note : As on 31-03-2022 at (BSE and NSE 25.25), average price is Rs.25.25 & No. of shares 54947871)

- 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.

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 Employees	Designation	Remuneration (Rs.)
1	Shri Satish Rama Shetty	Chairman & Managing Director	72,00,000.00
2	Shri Karan Satish Shetty	Whole Time Director	24,99,996.00
3	Shri Narayan Manjunath Hegde	V.P. (Finance) and Chief Financial Officer	18,68,232.00
4	Shri Nagraj Shetty	General Manager (production)	16,98,276.00
5	Mahantesh A Mukare	General Manager (Marketing)	15,12,350.00
6	Shri Jagadish K V	Assistant General Manager	14,58,420.00
7	Shri Ashok Kumar	Company Secretary	14,05,000.00
8	Shri Prashant Shetty	General Manager	13,65,954.00
9	Shri Y Vikram Hegde	Vice President (Production)	11,96,052.00
10	Shri Santosh Kumar Shetty	General Manager	11,86,812.00

ANNEXURE – 3: CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. CONSERVATION OF ENERGY

- (a) Successfully modified the composition of the body to reduce shrinkage, which helps in reduction of raw material consumption, reducing the cost of raw material and the raw material processing time, thereby reducing wastage and conserving power. Re-use of kiln heat for the drying process which has considerably reduced the consumption of fuel.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
Proposal to test and purchase Variable frequency drive and panel for all our Ball Mills, to reduce peak voltage consumption.
- (c) New policing machine has been added for efficient and better output.
- (d) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent Impact on the cost of production of goods: Reduction in power cost for better sales realization.
- (e) 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

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

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

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

3. Future plan of action

- a. Larger size tiles to be manufactured at Sira Plant with the additional equipments.
- b. Additional Digital parking tiles production at Karaikal Plant.

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

- a) Successful production of PGVT & GVT series Digital Vitrified tile.
- b) Successful adaptation 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. 1,35,29,576.00

Foreign Exchange Outgo : Rs. 5,41,38,759.00

ANNEXURE – 4 : DISCLOSURES OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES:
FORM NO. AOC-2
[PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

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

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

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

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

SI. No.	Particulars	Details
1	Name(s) of the related party	RNS Infrastructure Limited (Refer to Note No.27.3 of Financial Statement)
2	Nature of Relationship	Group Company, Common Directors & promoters
3	Nature of contracts/ arrangements/ transaction	Earth works / Sale of Jelly
4	Duration of the contracts/ arrangements/ transaction	Not applicable
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Not applicable
6	Justification for entering into such contracts or arrangements or transactions	Nil
7	Date of approval by the Board	29.06.2021
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.

ANNEXURE – 5: CORPORATE SOCIAL RESPONSIBILITY INITIATIVE FOR THE PERIOD OF 1ST APRIL, 2021 TO 31ST MARCH, 2022.

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. The Company's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

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

2. Composition of the CSR Committee:

Sr. 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

3. 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>

4. 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**

5. 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**

6. Average Net Profits/ (Loss) of the Company for the last three financial years: **Rs. (246.12) lakhs.**
7. Prescribed CSR Expenditure (Two percent of the amount as in item 4 above): **Rs. (4.92) lakhs.**
8. Details of CSR spent for the financial year: the Prescribed CSR Expenditure is in negative although company has spent as under:

Sl. No.	Particulars	Amount Spent for the year (In Rs.)	Amount Unspent (In Rs.)
1	Contribution made to the RNS Hospital (Through RNS Trust) which serves the poor and economical backward class people in rural area.	Rs. 5.70 lakhs	0.00

9. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **N.A**
10. 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**
11. 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 and on behalf of the Board
For Murudeshwar Ceramics Limited**

**By and on behalf 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 : 12.08.2022

ANNEXURE - 6 : SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

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

To,

The Members,

Murudeshwar Ceramics Limited

CIN: L26914KA1983PLC005401

604/B, Gokul Road, Industrial Estate,

Hubli, Karnataka- 580030

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the representations made and also the information, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** ("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, 2022, wherever applicable and in accordance with the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), upto September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; --(*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 and audited for ensuring their compliance mechanism:
 - (a) The Factories Act, 1948;
 - (b) The Environment (Protection) Act, 1986;
 - (c) The Air (Prevention & Control of Pollution) Act, 1981;
 - (d) The Water (Prevention & Control of Pollution) Act, 1974.

(*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.

Further, during the year,

The Company at its Annual General Meeting (AGM) held on 25th September, 2021 passed special resolution for Reclassification of Authorised share capital of the Company FROM the existing Rs. 71,62,00,000 divided into 5,56,20,000 equity shares of Rs. 10/- each and 16,00,000 redeemable cumulative preference shares of Rs. 100/- each TO Rs. 71,62,00,000 divided into 7,16,20,000 equity shares of Rs. 10/- each By converting 16,00,000 redeemable cumulative preference shares of Rs. 100/- each to Rs. 16,00,00,000 in 1,60,00,000 equity shares of Rs. 10/- each amounting to Rs. 16,00,00,000 ranking pari passu with the existing equity shares.

And also in the said AGM, the Memorandum of Association (MOA) and the Articles of Association (AOA) of the Company were altered for the change in the respective capital clause and also to adopt the provision of the Companies Act, 2013 in the same as may be applicable.

The Company at its Board Meeting held on 12th February, 2022 passed resolution to allot 26,16,559 equity shares of Rs. 18 each (including premium of Rs.8 and face value of Rs. 10/-) (1st Tranche) by conversion of equal number of warrants to Murudeshwar Power Corporation Private Limited, a Promoter- group company.

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. 2021-22, 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

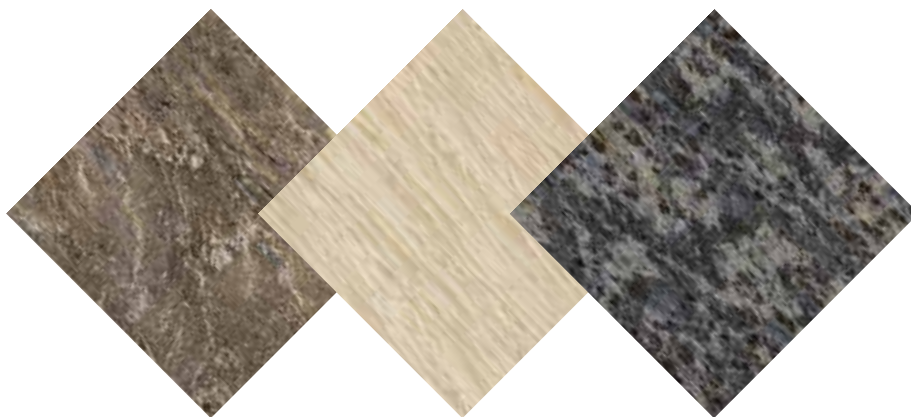
Date : 11th July, 2022
Place : Bengaluru

Sd/-

Swati Ramachandra Hegde
Proprietor

UDIN : F010795D000603420

Mem. No : F10795 & COP No : 19286



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, 2022

**To,
The Members,
Murudeshwar Ceramics Limited**

604/B, Gokul Road,
Industrial Estate,
Hubli, Karnataka - 580 030

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/-

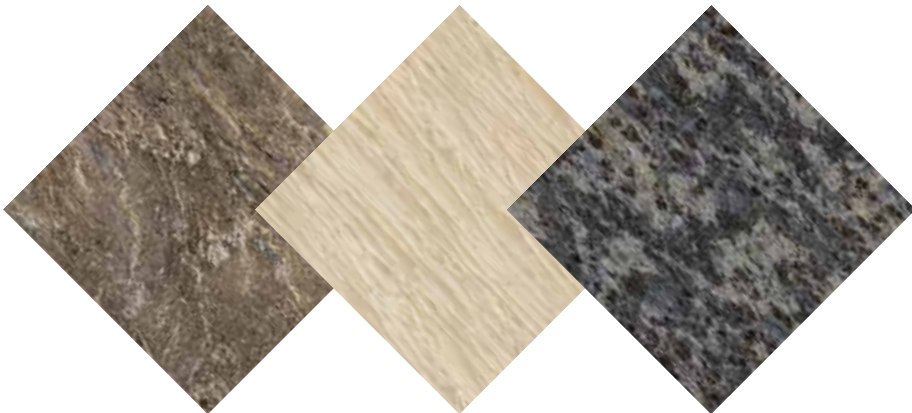
Swati Ramachandra Hegde
Proprietor

Mem. No : F10795 & COP No : 19286

Date : 11th July, 2022

Place : Bengaluru

UDIN : F010795D000603420



ANNEXURE - 7 : Certificate pursuant to clause 10 of Schedule V of SEBI (LODR), Regulations, 2015
CERTIFICATE OF NON – DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

Murudeshwar Ceramics Limited

604/B, Gokul Road, Industrial Estate,
Hubli - 580 030. Karnataka, India.

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' (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, 2022** 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 :

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

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

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

For Swati Hegde & Associates

Company Secretaries

Sd/-

Swati Ramachandra Hegde

Proprietor

Mem. No : F10795 & COP No : 19286

Date : 12th July, 2022

Place : Bengaluru

UDIN : F010795D000607974

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

The Global Ceramic Tiles Market size was estimated at USD 231.11 billion in 2021, USD 248.14 billion in 2022, and is projected to grow at a Compound Annual Growth Rate (CAGR) of 7.54% to reach USD 357.60 billion by 2027. Asia Pacific contributes a major share in the global market due to rapid infrastructural developments in countries such as India, China, Indonesia, and Vietnam etc. Rising population and housing sector in the region is also expected to boost demand for ceramic tiles. Growth in the construction of office spaces, shopping malls, lodging spaces, and other utility spaces across the globe is likely to ascend the demand for the products across the globe during the forecast period. The Covid-19 pandemic outbreak in 2020, created a severe impact on the market owing to a halt in building and construction activities due to lockdown strategies imposed by the government across the globe to curb the spread. In addition, lockdown across major ceramic tile-producing nations also created disruption in the global supply chain of the product.

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

ABOUT CERAMIC MARKET AND COMPETITION :

India is one of the fastest-growing ceramic tile marketplaces at the global level. Some of the major factors augmenting the growth of the ceramic tiles demand in India, are the growing real estate sector, coupled with government policies fueling strong growth in the housing sector. In addition, speeding urbanization, emerging trends and rising disposable income in India and a corresponding desire for beautification of living and working spaces are also driving the need for ceramic tiles in the country. Demand for products like the new touchless and other hygiene-centric products in bath ware and the germ-free tiles will take center stage and will see traction in the forecast period. The government schemes such as 'Pradhan Mantri Awas Yojana' and 'Smart Cities, among others, are likely to provide a further impetus to the real estate market in India.

In terms of market share, few of the major players currently dominate the market. However, with technological advancement and product innovation, mid-size to smaller companies are increasing their market presence by securing new contracts and by tapping new markets.

OPPORTUNITIES AND THREATS :

India is urbanizing rapidly with the urban share of the population being around 36% by 2021. Furthermore, it is expected to touch 40% by 2027, amounting to approximately 600 million urban inhabitants. The urbanization in India is mainly due to the expansion of cities and the migration of people, rise in disposable income, growth in renovation & remodeling activities, renew home with the shift to Work-From-Home post the pandemic, Investments are made in housing, road network, urban transport, water supply, power-related infrastructures, smart cities, and other forms of urban management. Urbanization boosts the demand for residential and commercial construction markets in the country, which has fueled rapid growth for the Indian ceramic tiles market. The industry enjoys some inherent advantages such as abundant raw material from indigenous sources, advanced infrastructure and low labour costs. Investments are made in housing, smart cities, and other forms of urban management.

However, Covid -19 is an incomparable global public health emergency that has affected almost every industry, and the long-term effects are projected to impact the industry growth during the forecast period. The growth of Indian ceramic tiles market has been significantly hampered due to Covid – 19 from the first quarter during 2021. Apart from these challenges, Ceramic industry is facing challenges with regards to raw material availability, environmental issues, social issues, products dumping from China and energy availability and now, Russia vs. Ukraine Conflict will be biggest threat to the market in 2022.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :

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

OUTLOOK :

The Global Ceramic Tiles Market size was estimated at USD 231.11 billion in 2021, USD 248.14 billion in 2022, and is projected to grow at a Compound Annual Growth Rate (CAGR) of 7.54% to reach USD 357.60 billion by 2027. The real estate sector in India is expected to account for about 13% of GDP by 2025, with commercial real estate forming a major share, attracting large-scale investments from institutional investors and private equity funds. India is one of the fastest-growing ceramic tile marketplaces at the global level. Some of the major factors augmenting the growth of the ceramic tiles demand in India are the growing real estate sector coupled with government policies fueling strong growth in the housing sector. The Government of India has launched several programs which are helping tile industry to grow and flourish. Increasing population and urbanization, and rapid rise in construction sector are the key trends in the market.

The tense global geopolitical situation and the consequent elevated commodity prices imparted considerable uncertainty to the domestic inflation outlook. The sector was hit badly amid the Covid-19 pandemic as India's GDP fell drastically in 2020, and furthermore, the Indian economy contracted by 7.3% in the April-June quarter of 2021. However, the ceramic tiles market has been showing steady growth over the last few years in India.

RISKS AND CONCERNS :

Covid-19 has already impacted on every country's GDP. Now, industry is facing natural gas/ fuel crisis due to Russia and Ukraine conflict. Russia is the second largest gas producing country in the world after the US. On the other hand, India imports approximate 80% of its crude oil and gas supply from other countries. The global Brent crude oil price was at \$90 on 25/02/2022. It is at \$115 on 03/03/2022. There is an approximately 25% price hike in crude oil. So, it's very clear that in the near future there will be an increase in the price of natural gas in India which will lead to increase in cost of production of tiles. Gas price accounts for nearly 30-40% of the total cost of Ceramic Tiles. So, prices of Ceramic Tiles will increase as soon as the Indian government revises its gas prices.

Furthermore, demand risk, competition risk, margin risk, geographical concentration risk, funding risk, environment risk, there is greater volatility in the pricing of raw materials used for manufacturing ceramic tiles. Rising costs and unexpected deviations in raw material price levels destabilize the supply chains and render it difficult for manufacturers to sustain in the competitive ceramic tiles market. Volatile raw material prices are the effecting factor for Ceramic tiles market.

INTERNAL CONTROL SYSTEMS AND ADEQUACY :

The Company's Internal Control System, is line with its size, scale and complexity of operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company. The Company has also appointed a practicing chartered accountant to conduct the internal audit and to submit a report to the Board. The internal control procedures are adequate and efficient. The Company has aligned its current systems of internal financial control with the requirement of Companies Act 2013, which is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness.

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.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS :

The Company continued to engage services of senior level personnel even at branches level to ensure better control and coordination. The understanding between the Management and workers continues to be cordial. Over the last year Human Resource Department has taken various initiatives for employee benefit and retention. Management also continues to give due importance for Manpower training and motivation from time to time. As at the end of the year the Company had 292 employees on the rolls.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS :

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

Sl. No.	Ratio	FY 2021-22	FY 2020-21	Variance (%)
1	Current Ratio	1.55	1.45	7.10
2	Debt Equity Ratio	0.05	0.04	6.27
3	Debt Service Coverage Ratio	2.13	1.58	34.89
4	Return on Equity	0.01	-0.04	122.23
5	Inventory Turnover Ratio	1.13	0.79	43.96
6	Trade receivables turnover ratio	4.57	2.21	106.65
7	Trade Payables turnover ratio	3.90	2.52	54.92
8	Net capital turnover ratio	2.17	1.67	29.52
9	Net Profit Ratio	0.02	-0.15	114.67
10	Return on Capital Employed	0.05	-0.00	80384.98
11	Return on Investment	11.80	12.31	-0.84

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

There are no major changes in return on Net Worth as compared to the immediately previous financial year except carry forward profit or losses. However, return on net worth was impacted due to lower profitability. Financial Statements may be referred for more details.

DISCLOSURE OF ACCOUNTING TREATMENT:

There are no changes in accounting treatments for the financial year ended March 31, 2022. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. Your Company has been adopted "IndAS" since April 01, 2017.

CAUTIONARY STATEMENT:

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

By and behalf of the Board
For Murudeshwar Ceramics Limited
 Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526

By and behalf of the Board
For Murudeshwar Ceramics Limited
 Sd/-
Naveen Rama Shetty
Director
DIN: 00058779

Place : Bengaluru
 Date : 12.08.2022

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 :

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. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

The corporate governance standards have been framed by the Board of Directors of the Company which provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders. The Board has defined a set of corporate governance best practices and guidelines to help to fulfill our corporate responsibility towards our stakeholders.

The Corporate Governance's guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations as and when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board, at its discretion, may change these guidelines periodically to achieve our stated objectives.

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

2. BOARD OF DIRECTORS :

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

2.1 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 |

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

None of the above said Non-Executive Directors has any pecuniary relationship or transaction with the Company 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.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, Section 149(6) of the Companies Act, 2013 and rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing

Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the 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 :

(a) Shri Satish Rama Shetty (DIN - 00037526) : 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 Satish Rama Shetty (DIN 00037526), as a director without affecting his current position, who is liable to retire by rotation has been placed for shareholders' approval. Shri Satish Rama Shetty is the promoters' Director since inception.

b. Board qualifications, skills, expertise and competencies :

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

c. Meetings, Attendance and Membership of Committees :

During the year under review Six (6) Board Meetings were held on April 04, 2021, June 29, 2021, August 13, 2021, September 25, 2021, November 12, 2021, and February 12, 2022 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 2021-22.

Sl. No.	Name of Director	BOARD MEETINGS		Whether attended last AGM	COMMITTEES		Other directorships held
		Held	Attended		Memberships	Chairman	
1	Shri Satish Rama Shetty	6	6	Yes	4	-	13
2	Dr. Shivabasayya Siddaramayya Hiremath	6	6	Yes	1	1	3
3	Shri Annappayya	6	6	Yes	1	2	1
4	Shri Sankappa Keremane Shetty	6	6	Yes	2	2	3
5	Smt. Sarvani Alva	6	4	No	1	-	1
6	Shri Sunil Rama Shetty	6	4	No	1	--	12
7	Shri Naveen Rama Shetty	6	6	No	-	-	12
8	Shri Karan Satish Shetty	6	6	Yes	-	-	-
9	Shri Sathya Murthy Padaki	6	4	No	-	-	-

Note : 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 no Independent Director has tendered their resignation.

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

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

g. Disclosure of relationships between directors inter-se :

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

3. CODE OF CONDUCT :

The Board of Directors has laid down Code of Conduct for all the Board Members and senior management personnel of the Company. In the above context, Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended 31.03.2022 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.

Composition	Extract of terms of reference
<ol style="list-style-type: none"> 1. Shri Sankappa Keremane Shetty Chairman; 2. Shri Satish Rama Shetty Member; and 3. Shri Annappayya. <ul style="list-style-type: none"> ▶ The Chairman, Shri Sankappa K Shetty and Shri Annappayya, member are independent non-executive directors. ▶ Shri Satish Rama Shetty, member is the Chairman & Managing Director of the Company. ▶ The Company Secretary acts as the Secretary to the Audit Committee. 	<ul style="list-style-type: none"> • 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 InsiderTrading 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. <p>Audit Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.</p>

During the year under review five (5) Audit Committee Meetings were held April 09, 2021, June 29, 2021, August 13, 2021, November 12, 2021, and February 12, 2022 and gap between any two consecutive Meetings has not exceeded 120 days.

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 :

Composition	Extract of terms of reference
1. Shri. Annappayya – Chairman; 2. Dr. Shivabasayya Siddaramayya Hiremath Member; and 3. Shri Sankappa Keremane Shetty – Member; and <ul style="list-style-type: none"> ➤ 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. 	<ul style="list-style-type: none"> • 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 one times on 13.08.2021 and all three Directors Shri Annappayya, Dr. Shivabasayya Siddaramayya Hiremath and Shri Sankappa Keremane Shetty attended the meeting.

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

Details of Remuneration paid / accrued to Executive Director for the year ended 31.03.2022:

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

NOTE :

1. None of the above said remuneration /benefits are performance linked.
2. 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.
3. The Term of office of the above said Directors are five years for both the Managing Director and for the Whole Time Director effective from their respective dates of appointment or re-appointment.
4. 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, 2022.**

Name of Director	Nature of office of Director	Shares held	Percentage to Eq. Capital
Shri Satish Rama Shetty	Executive	11,10,402	2.02
Shri Sunil Rama Shetty	Non-Executive	11,11,102	2.02
Shri Naveen Rama Shetty	Non-Executive	11,10,502	2.02
Shri Annappayya	Non-Executive (ID)	Nil	0.00
Shri Sankappa Keremane Shetty	Non-Executive (ID)	Nil	0.00
Dr. Shivabasayya Siddaramayya Hiremath	Non-Executive (ID)	2,300	0.00
Smt. Sarvani Alva	Non-Executive (ID)	Nil	0.00
Shri Karan Satish Shetty	Executive	9,800	0.02
Shri Sathya Murthy Padaki	Non-Executive (ID)	Nil	0.00

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

6. STAKEHOLDERS GRIEVANCE COMMITTEE :

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

During the year under review the committee was met on 29.06.2021.

Composition	Extract of terms of reference
<ol style="list-style-type: none"> Shri Annappayya – Chairman; Shri Sankappa Keremane Shetty Member; and Shri Satish Rama Shetty – Member <p>The Company Secretary acts as the Secretary to the Audit Committee.</p>	<ul style="list-style-type: none"> Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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 12, 2022.

Composition	Extract of terms of reference
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 Audit 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.

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. INDEPENDENT DIRECTORS MEET :

The Independent Directors of the Company have been holding one meeting in a year, without the attendance of non-Independent Directors and members of management. Independent Directors on the Board to abide by the provision specified in Schedule IV of the Companies Act, which defines Code for Independent Directors. Accordingly, a meeting of independent Directors was held by the independent directors on February 12, 2022. All the Five independent Directors attended the meeting.

10. DISCLOSURES :

a. Materially significant related party transactions: All Related party transactions have been furnished in the Note 27.3 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 are subject to periodical review by the audit committee. Policy for determining ‘material’ subsidiaries and policy on dealing with related party transactions have already placed on the website of the company at www.naveentile.com.

b. Disclosures of transactions of the listed entity: with any person or entity belonging to the promoter/promoter Group which hold(s) 10% or more shareholding in the listed entity, has been shown in Note 27.3 forming part of the statement of accounts as under for the financial year 2021-22:

(Rs. In Lakhs)

Name of Party	Sales	Purchase	Dividend Receipts	Service Receipts	Closing Balance
RNS Infrastructure Limited	175.18	71.08	-	4459.64	175.79
Murudeshwar Power Corporation Private Limited	-	-	63.30	-	0.01

c. Board Disclosures and Risk Management: The Company has regular procedure of reporting to the Board on quarterly basis about all significant transactions, developments, policies etc., concerning the industry in general and the Company in particular. The Board reviews the same and also uses the same as tool of risk assessment, planning and control.

d. Disclosures under the SEBI Regulations 2015 : The Company has been regular in making timely disclosures as prescribed under the SEBI Regulations 2015. The Company has not been subjected to any penalties or strictures either by SEBI or by Stock Exchanges in the last three years.

e. Disclosures in relation to the Sexual Harassment of Women at workplace : Your Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity. The Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its employees are not subjected to any form of harassment. Your Company has a set of Policy in this respect. The following Statement shows the details of complaint received during the F.Y. 2021-22.

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

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

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

g. Acceptance of recommendation of committees : The Board of Directors of the Company has always accepted the recommendations from the all committees of the Board which are mandatorily required during the financial year 2021-22.

h. Details of compliance with mandatory requirements and adoption of the non- mandatory requirements : Your companies always try to comply with all laws, rules, regulations, notifications, circulars, recommendation and advisory issued by the various statutory departments from time to time. During the year under review your company has complied with all the applicable laws from time to time.

11. GENERAL BODY MEETINGS :

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

a. Annual General meeting :

Year ended	Date of Meeting	Time	Special Resolutions passed
2020-21	25.09.2021	3:00 P.M.	<ol style="list-style-type: none"> 1. Reclassification of Authorised Share Capital of the company; 2. To alter in the Capital Clause of Memorandum of Association of the Company; 3. To adopt Memorandum of Association as per the provisions of the Companies Act, 2013; and 4. 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

Year ended	Date of Meeting	Time	Special Resolutions passed
2019-20	26.09.2020	3:00 P.M	<ol style="list-style-type: none"> To re-appoint Shri Satish Rama Shetty (DIN 00037526), as the Managing Director for the further period of five years w.e.f. 26.06.2020 and also designate him as the Vice - Chairman of the Company; and Continuation of directorship of Shri Annappayya (DIN: 03558522) as an Independent Director.
2018-19	28.09.2019	3.00 P.M.	<ol style="list-style-type: none"> Approval for setting a threshold limit and to provide Power to the Board of Directors under Section 180(1) of The Companies Act, 2013; Approval for setting a threshold limit to Make Investments, Give Loans, Guarantees and Provide Securities under Section 186 of the Companies Act, 2013 and provide power to the Board of Directors; Approval for setting a threshold limit under section 185 and provide power to the Board of Directors; Approval for enter into Related Party Transactions as prescribed under section 188 and provide power to the Board of Directors; Approval for re-appointment of Smt. Sarvani Alva (DIN: 06896403), as an Independent Director with effect from 31th July, 2019 for the period of next consecutive five years; Approval for re-appointment of Shri Sankappa Keremane Shetty (DIN 00894366) as an Independent Director with effect from 31th July, 2019 for the period of next consecutive five years; Approval for re-appointment Shri Annappayya (DIN 03558522) as an Independent Director with effect from 31th July, 2019 for the period of next consecutive five years. Approval for re-appointment Dr. Shivabasayya Siddaramayya Hiremath (DIN 02272897) as an Independent Director with effect from 31th July, 2019 for the period of next consecutive five years.

b. Extra Ordinary General Body Meetings : None

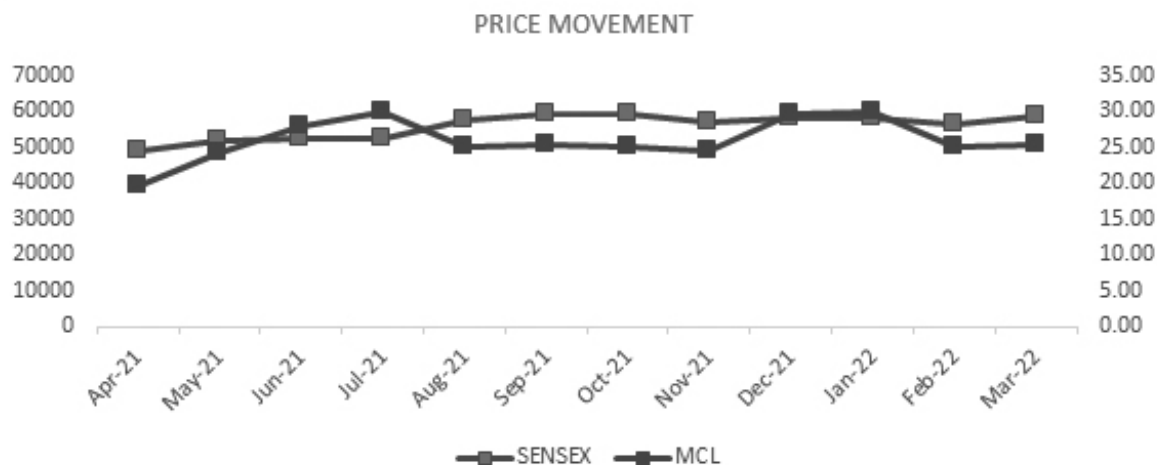
c. Details of Special Resolution Passed last year through Postal Ballot : None

12. MEANS OF COMMUNICATION :

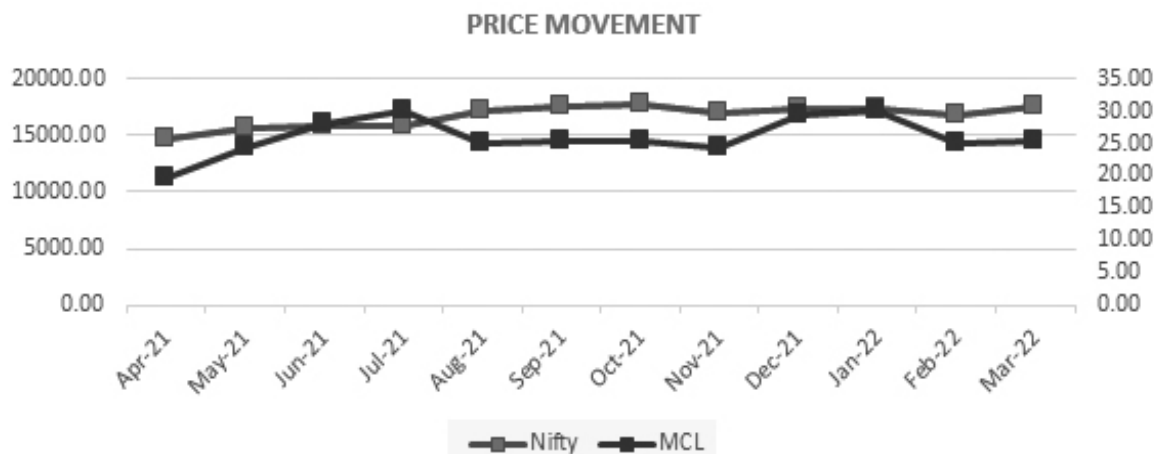
- The quarterly, half-yearly and annual Financial Results prescribed under Regulation 33 of SEBI (LODR) Regulations 2015 were published in Financial Express in English Version and Udayavani in Vernacular text and also made available on the website of the company at www.naveentile.com and the website of exchanges at www.bseindia.com and at <https://www.nseindia.com> respectively.
- 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.
- 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.
- 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.
- 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 : Thursday, 22nd day of September, 2022 at 3.00 p.m. IST
 2. Venue : Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi-580029.
- e. **Financial Year** : 1st day of April to 31st day of March of succeeding year.
- f. **Books Closure** : From Thursday, September 15, 2022 to Thursday, September 22, 2022 (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 2021-22 :**



i. **Murudeshwar Ceramics Limited Vs. NIFTY 50 in the financial Year 2021-22 :**



j. Market Price Data :

Month		BSE		NSE	
		Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April	2021	20.30	19.55	20.25	19.45
May	2021	24.75	24.20	24.80	24.10
June	2021	29.90	27.60	28.95	27.60
July	2021	31.45	29.60	31.40	29.40
August	2021	26.00	24.70	25.60	24.75
September	2021	25.85	25.20	25.85	25.15
October	2021	26.00	25.00	25.80	24.90
November	2021	25.30	24.25	25.20	23.90
December	2021	30.35	27.60	30.40	27.35
January	2022	31.95	29.80	31.20	29.80
February	2022	26.00	24.10	26.00	24.00
March	2022	25.75	25.20	26.00	25.05

k. Share Transfer System and Dematerialization :

At the end of March 31, 2022, the Company had 19,006 shareholders holding 5,49,47,871 equity shares of the Company. Out of the which 17,615 members (92.68%) hold 5,46,01,390 (99.37%) shares in dematerialized form. The Balance of 1,391 members (7.32%) hold 3,46,481 equity shares (0.63%) in physical form.

From the records it is clear that 1,391 (7.32%) of the total number of members holding in all 3,46,481 (0.63%) in physical form have still not taken action to dematerialize their shares, in spite of various reminders and appeal made by the Company in the interest of such members. Since, the trading of shares of this Company is allowed by Stock Exchanges only in dematerialized form, members holding shares in physical form will lose the advantage of easy liquidity for their shares unless their shareholding is dematerialized. Such members are requested to dematerialize their shares in their own interest. Members may please contact their Depository Participants or may contact the Company Secretary for guidance.

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

l. Distribution of Shareholding as on 31.03.2022 :

Nominal	Value of Shares	No. of Holders	%	Share	Amount
				In Rs.	% to Paid-up Capital
Upto 5,000		14902	78.39	22,86,748	4.16
5,001 - 10,000		2016	10.60	17,22,228	3.13
10,001 - 20,000		991	5.21	15,58,244	2.84
20,001 - 30,000		384	2.02	9,99,797	1.82
30,001 - 40,000		159	0.84	5,72,538	1.04
40,001 - 50,000		150	0.79	7,21,774	1.31
50,001 - 1,00,000		240	1.26	18,44,539	3.36
1,00,001 & Above		168	0.88	4,52,42,003	82.34
T O T A L		19010	100	5,49,47,871	100.00

m. Shareholding Pattern as on 31.03.2022 :

Sl. No.	Category of Shareholder	Shares as on 31.03.2022	% of Holding
1	Financial Institutions Govt. Sponsored (Insurance Companies)	2,200	0.004
2	Mutual Funds	700	0.001
3	Banks	400	0.001
4	NRI's	7,18,690	1.308
5	Hindu Undivided Family	4,90,821	0.893
6	Foreign Institutional Investors	900	0.002
7	Promoter Directors & their Relatives	3,91,67,235	71.281
8	Other Bodies Corporates	5,83,483	1.062
9	Clearing Members	39,589	0.072
10	Resident Individuals	1,39,40,853	25.371
11	Limited Liability Partner	3,000	0.005
TOTAL		5,49,47,871	100.000

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** : All new Non-Executive Directors inducted to the Board are introduced to the Company culture with appropriate orientation sessions. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board'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) Members holding shares in physical form may please furnish their change of address, if any, and Bank Account details to the Company from time to time to enable the Company to update such particulars in the corresponding ledger folios for prompt delivery of any communication from the Company.

- 3) It is noticed that some of the members holding shares in dematerialized form have not updated address, e-mail, phone numbers and Bank account details with their Depositories through their DPs. Some members holding dematerialized shares request the Company for updating the particulars. Members may please note that the Company has no access to their Demat accounts and all such corrections have to be got updated by the members in their Demat accounts through their respective DPs.

p. Address for Communication :

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

q. Other Provisions:

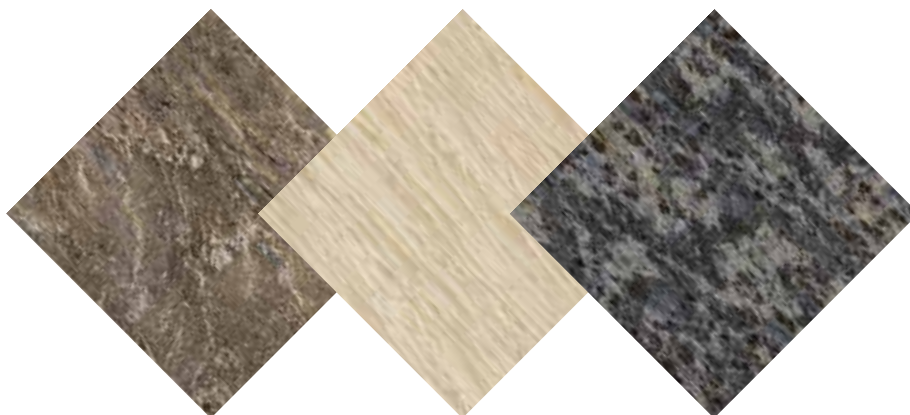
Certificate from Auditors : Statutory Auditors have certified that the Company has complied with Corporate Governance Provisions. A copy of the said certificate is annexed forming part of this Report.

**By and behalf of the Board
For Murudeshwar Ceramics Limited
Sd/-
Satish Rama Shetty
Chairman & Managing Director
DIN: 00037526**

**By and behalf of the Board
For Murudeshwar Ceramics Limited
Sd/-
Naveen Rama Shetty
Director
DIN: 00058779**

Place : Bengaluru

Date : 12.08.2022



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, 2022.

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: 22217422AKCXA9759

Place : Bengaluru
Date : 30-05-2022

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

To,

The Members,

Murudeshwar Ceramics Limited

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 31.03.2022.

For Murudeshwar Ceramics Limited

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

Place : Bengaluru
Date : August 12, 2022

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

To,

The Board of Directors,

Murudeshwar Ceramics Limited

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2022 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omission any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that they have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies if any in the design or operation of such Internal Controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- D. We have indicated to the Auditors and the Audit Committee;
- (1) Significant changes in Internal Control over Financial reporting if any during the year;
 - (2) Significant changes in Accounting Policies if any during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud if any of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over Financial Reporting.

For Murudeshwar Ceramics Limited

Sd/-

Satish Rama Shetty

Chairman & Managing Director

DIN: 00037526

For Murudeshwar Ceramics Limited

Sd/-

Narayan Manjunath Hegde

VP Finance & CFO

Place : Bengaluru

Date : 12th August, 2022

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 31 March 2022, 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, 2022, 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 31.03.2022 is 11213.73 lakhs which is 23.59% 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 stock 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 Additions to Fixed assets during the year were 936.31 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 implantation 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.</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 2022 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 March 2022 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.
- v. The company has not declared/paid any dividend during the financial year under audit.
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 - 22217422AJWHWG7637

Place : Bengaluru
Date : 30.05.2022

ANNEXURE - A to the Independent Auditor's 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 2022 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 2022, 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 : 30.05.2022

Krishnaraj K
 Partner
 (Membership Number - 217422)
UDIN - 22217422AJWHWG7637

ANNEXURE - B to the Independent Auditor's 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, 2022 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 in agreement with the books of account of the Company except the details submitted in the last quarter, details of variances are as under –

Inventory as per books as on 31.03.2022 (Rs. In Lakhs)	Inventory as per details submitted to the banker as on 31.03.2022 (Rs. In Lakhs)	Difference (Rs. In Lakhs)
11,213.73	9875.69	1338.04 (Shown less in the statement submitted to the banker)

- 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) Details of the guarantee given by the company

Guarantee given to during the year	Guarantee as at the end of the year
350 Crores	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. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

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

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

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

c) Details of dues of income tax, excise duty and custom duty which have not been deposited as at 31.03.2022 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. 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 and has incurred cash loss of Rs.569.70 Lakhs 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) For the financial year 2021 - 22 reporting under clause 3(xx)(a) of the Order is not applicable.
- 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.

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

Place : Bengaluru
Date : 30.05.2022

Sd/-
Krishnaraj K
Partner
(Membership Number - 217422)

UDIN - 22217422AJWHWG7637

AUDITED FINANCIAL STATEMENT FROM 01st APRIL 2021 To 31st MARCH 2022				
Standalone Balance Sheet as at 31st March, 2022				
(Rs. in Lakhs)				
	Particulars	Notes	March 31, 2022	March 31, 2021
A	ASSETS			
	1 - Non Current Assets			
	(a) Property, plant and equipment	3	29,639.26	29,563.78
	(b) Capital work-in-progress		606.65	768.51
	(c) Investment Property		120.23	163.56
	(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	390.29
	(ii) Trade Receivables		-	-
	(iii) Loans		-	-
	(i) Deferred tax Assets (Net)		-	-
	(j) Other non-current assets	5	285.38	780.41
	Total non - current Assets (A)		31,575.04	31,666.55
	2 - Current Assets			
	(a) Inventories	6	11,213.73	10,449.56
	(b) Financial assets			
	(i) Investments			
	(ii) Trade Receivables	7	2,208.76	3,164.66
	(iii) Cash and cash equivalents	8	604.65	340.40
	(iv) Bank balances other than (iii) above			
	(v) Loans			
	(vi) Others			
	(c) Current Tax Assets (Net)			
	(d) Other current assets	9	1,930.11	1,579.78
	Total current assets (B)		15,957.25	15,534.40
	Total Assets (A+B)		47,532.29	47,200.95
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	10	5,494.79	5,233.91
	(b) Other equity		28,443.30	28,079.66
	Total equity		33,938.09	33,313.57
C	LIABILITIES			
	1. Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	11	1,592.41	1,470.92
	(ia) Lease Liabilities	13	172.66	161.95
	(ii) Trade payables	13	-	143.98
	(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			

AUDITED FINANCIAL STATEMENT FROM 01st APRIL 2021 To 31st MARCH 2022
Standalone Balance Sheet as at 31st March, 2022

(Rs. in Lakhs)

Particulars		Notes	March 31, 2022	March 31, 2021
	(c) Deferred Tax Liabilities (Net)	12	1,544.69	1,387.31
	(d) Other Non Current Liabilities			
	Total non-current liabilities		3,309.76	3,164.16
2 - Current liabilities				
	(a) Financial liabilities			
	(i) Borrowings	15	6,511.29	6,847.14
	(a) Lease Liabilities			
	(ii) Trade payables	14	1,892.04	1,879.23
	(a) total outstanding dues of micro enterprises and small enterprises		13.41	35.28
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,878.63	1,843.95
	(b) Other current liabilities	16	1,803.44	1,931.58
	(c) Provisions	17	77.67	65.26
	(d) Current Tax Liabilities (Net)			
	Total equity and liabilities		10,284.44	10,723.22
			47,532.29	47,200.95

In terms of our report attached
For **K.G.Rao & Co.**
Chartered Accountants
ICAI FIRM REGN. No. : 010463S
KRISHNARAJ K
Partner
Membership No. : 217422
UDIN : 22217422AJWHWG7637
Place : Bengaluru
Date : 30.05.2022

For and on behalf of the Board of Directors

MURUDESHWAR CERAMICS LIMITED

SATISH R SHETTY

Chairman & Managing Director
(DIN 00037526)

DR. S S HIREMATH

Director
(DIN 02272897)

SATHYA MURTHY PADAKI

Director
(DIN 08276537)

ANNAPPAYYA

Director
(DIN 03558522)

KARAN SATISH SHETTY

Whole Time Director
(DIN 08168200)

NAVEEN R SHETTY

Director
(DIN 00058779)

SANKAPP A K SHETTY

Director
(DIN 00894366)

N M HEGDE

Vice President (Finance) & CFO

SUNIL R SHETTY

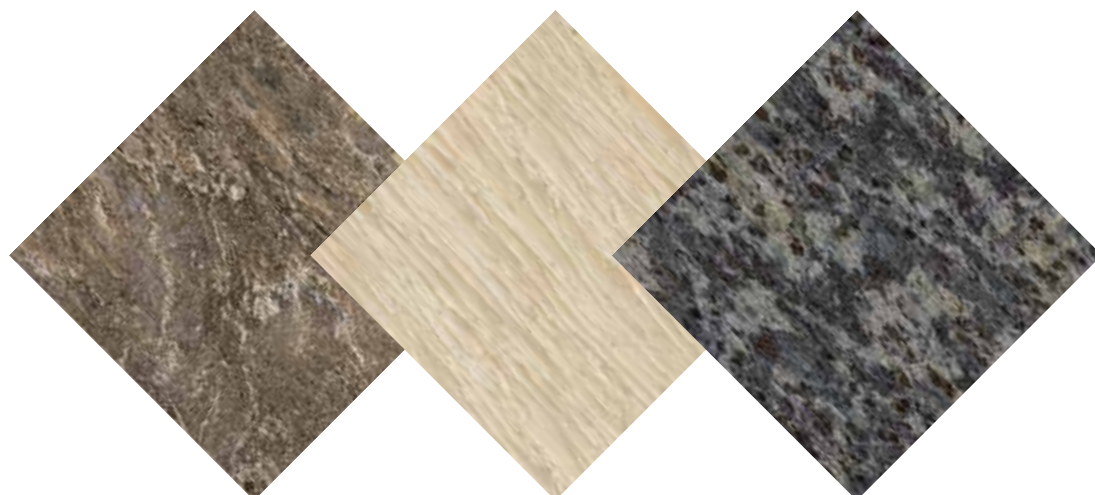
Director
(DIN 00037572)

SARVANI ALVA

Director
(DIN 06896403)

ASHOK KUMAR

Company Secretary



AUDITED FINANCIAL STATEMENT FROM 01st APRIL 2021 To 31st MARCH 2022
Standalone Statement of Profit and Loss for the year ended 31st March, 2022 (Rs. in Lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021
I. REVENUES:			
Revenue from operations	18	12,291.63	8,048.95
Other Income	19	141.58	126.24
Total Income		12,433.21	8,175.19
II. EXPENSES:			
Cost of materials consumed	20	2,639.52	1,625.12
Purchase of Stock in Trade		1,339.13	1,451.25
Changes in inventory of Finished Goods and Work-In Progress	21	(572.14)	(1.09)
Employee benefit expenses	22	1,544.37	1,217.67
Finance costs	23	1,329.75	1,592.60
Depreciation and amortisation expense	3	1,027.52	1,024.98
Other expenses	24	4,752.98	2,859.34
Total Expenses		12,061.13	9,769.86
III. Profit/(loss) before exceptional items and tax (I-II)		372.08	(1,594.67)
IV. Tax Expense			
Current Tax		-	-
Deferred tax		157.38	-
Deferred Tax Provision for Earlier years Reversed			(412.18)
Less : MAT Credit Entitlement		-	-
Add : MAT Credit Reversed		-	4.97
Total tax expense		157.38	(407.21)
V. Profit/(loss) for the period from continuing operations		214.70	(1,187.46)
VI. Other comprehensive income			
(a) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		76.55	(32.13)
- Others			
(ii) Income tax relating to items that will not be reclassified to profit and loss		(19.90)	8.35
(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		56.65	(23.78)
VII. Total comprehensive income for the period (V+V1)		271.35	(1,211.24)
<i>(Comprising Profit/(Loss) and Other Comprehensive Income for the year)</i>			
VIII. Earnings per equity share (for discontinued & continuing operation):			
Basic Rs.		0.49	(2.48)
Diluted Rs.		0.47	(2.42)

In terms of our report attached
For K.G.Rao & Co.
Chartered Accountants
ICAI FIRM REGN. No. : 010463S
KRISHNARAJ K
Partner
Membership No. : 217422
UDIN : 22217422AJWHWG7637
Place : Bengaluru
Date : 30.05.2022

For and on behalf of the Board of Directors

MURUDESHWAR CERAMICS LIMITED

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Vice President (Finance) & CFO

SUNIL R SHETTY

Director
(DIN 00037572)

SARVANI ALVA

Director
(DIN 06896403)

ASHOK KUMAR

Company Secretary

STANDALONE CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
For The Period From April 2021 to March - 2022 (Rupees in lakhs)

	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax & extra - ordinary items	214.70	(1,187.46)
Adjustments for:		-
Net Profit/(Loss) of the Associate		
Depreciation	965.10	968.64
Interest Paid	987.39	1,135.84
Rent Received	(11.83)	(14.30)
Loss on Sale of Fixed Assets	16.85	9.48
Profit on Sale of Assets	(40.24)	(8.88)
Interest Income on Investments	(19.90)	(33.59)
Dividend received	(63.30)	(68.51)
Provision for taxation	-	-
Remeasurement of defined benefit plans	56.65	(23.78)
Operating profit before working capital changes Adjustments for:	2,105.42	777.44
Increase/(Decrease) in Long Term Liability	168.09	(407.20)
Decrease / (Increase) in Inventories	(764.17)	(477.17)
Decrease / (Increase) in Trade receivables	955.90	942.06
Increase / (decrease) in Trade Payables	(131.17)	(543.93)
Decrease/(Increase) in Short term loans & advances		-
Decrease/(Increase) in Other Current Assets	(252.60)	(156.14)
Decrease/(Increase) in Long Term Loans & Advances	495.03	(516.31)
Increase / (decrease) in Other Current Liabilities	(128.14)	506.81
Increase / (decrease) in Short Term Provisions	12.41	(37.10)
Cash generated from operations	2,460.77	88.46
Taxes paid	(97.73)	(39.46)
Cash flow before extra - ordinary item		
Net Cash from Operating Activities	2,363.04	48.99
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(936.31)	(836.45)
Sale of fixed assets	124.29	140.00
Interest received	19.90	33.59
Dividend received	63.30	68.51
Rent received	11.83	14.30
Investments	(533.23)	-
Net cash flow from investing activities	(1,250.21)	(580.05)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term Borrowings repaid	121.49	685.77
Short Term Borrowings repaid	(335.85)	(103.29)
Proceeds from Issue of Share Capital	470.99	856.33
Issue of Share Warrants	(117.75)	241.38

STANDALONE CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
For The Period From April 2021 to March - 2022 (Rupees in lakhs)

	2021-22	2020-21
IND AS Transition Reserve	(0.07)	-
Change in Capital reserve	-	-
Interest paid	(973.39)	(1,108.36)
Interest on Lease Liabilities	(14.00)	(27.47)
Net cash used in Financial activities	(848.58)	544.36
NET INCREASE IN CASH AND CASH EQUIVALENTS	264.25	13.31
CASH AND CASH EQUIVALENTS AS ON 31.03.2021	340.40	327.09
CASH AND CASH EQUIVALENTS AS ON 31.03.2022	604.65	340.40

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.

	2021-22	2020-21
Cash on hand and balances with banks	604.65	340.40
Short Term investments	-	-
Cash and cash equivalents effect of changes in Exchange rates	-	-
Cash and cash equivalents as restated	604.65	340.40

In terms of our report attached
For K.G.Rao & Co.
Chartered Accountants
ICAI FIRM REGN. No. : 010463S
KRISHNARAJ K
Partner
Membership No. : 217422
UDIN : 22217422AJWHWG7637
Place : Bengaluru
Date : 30.05.2022

For and on behalf of the Board of Directors

MURUDESHWAR CERAMICS LIMITED

SATISH R SHETTY

Chairman & Managing Director
(DIN 00037526)

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(DIN 02272897)

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Director
(DIN 00037572)

SARVANI ALVA

Director
(DIN 06896403)

ASHOK KUMAR

Company Secretary

CERTIFICATE

We have examined the above Cash Flow Statement of Murudeshwar Ceramics Ltd., for the year ended 31.03.2022 and certify that the said statement has been prepared by the Company in accordance with IND AS-7 issued by the Institute of Chartered Accountants of India and as per requirements of Listing Agreements with Stock Exchanges and is based on and is in agreement with Profit & Loss Account and Balance Sheet of the Company for the year ended on 31.03.2022.

For K.G.RAO & Co.

Chartered Accountants
ICAI FIRM REGN. No.: 010463S

KRISHNARAJ K

Partner
Membership No.:217422

Place : Bengaluru
Date : 30.05.2022

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**Note : 1 Corporate Information**

Murudeshwar Ceramics Limited (the Company) was established in the year 1983. The Company is manufacturing and trading Ceramic and Vitrified floor & wall Tiles. The Registered Office of the Company is at 604/B, Murudeshwar Bhavan, Gokul Road, Hubli – 580 030 and the Corporate Office is at Naveen Complex, 7th Floor, 14, M.G.Road, Bengaluru – 560 001. The Company is having 2 manufacturing plants at Sira, Dist. Tumkur and Karaikal, Pondicherry. The Company trading Vitrified Tiles and Ceramic Tiles sourced through job work basis 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.
- f) 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country 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 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.

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

The Disclosure as per IND AS is given as under –

As on 31.03.2022
(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	-	-	2208.76	2208.76	-
Cash and cash equivalents including other bank balances	8	-	-	604.65	604.65	-
Investments	4	-	-	923.52	923.52	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	3736.93	3736.93	-
Financial Liabilities:						
Trade payables	14	-	-	1892.04	1892.04	-
Lease Liabilities	13	-	-	172.66	172.66	-
Other financial liabilities	15	-	-	6511.29	6511.29	-
Total Financial Liabilities		-	-	8575.99	8575.99	-

As on 31.03.2021
(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	-	-	3,164.66	3,164.66	-
Cash and cash equivalents including other bank balances	8	-	-	340.40	340.40	-
Investments	4	-	-	390.29	390.29	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	3,895.35	3,895.35	-
Financial Liabilities:						
Trade payables	14	-	-	2,023.21	2,023.21	-
Lease Liabilities	13	-	-	161.95	161.95	-
Other financial liabilities	15	-	-	9,705.36	9,705.36	-
Total Financial Liabilities		-	-	11,890.52	11,890.52	-

Other Financial Instruments and Cash & Cash Equivalents

The Company held cash and cash equivalents of Rs.604.65 Lakhs (31st March 2021 - Rs. 340.40 Lakhs). The cash and cash equivalents are held with banks with high rating. The Company held deposits with banks and financial institutions of Rs.593.88 Lakhs (31st March 2021 - Rs. 326.88 Lakhs), In order to manage the risk, Company places deposits with only high rated banks/ institutions.

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

Particulars	As at 31-Mar-22	As at 31-Mar-21
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL).		
Non-current Investment	923.52	390.29
Non-current Loans & Advances	238.54	197.58
Other Non-Current Financial Assets	46.85	582.83
Cash & Cash Equivalent	604.65	340.40
Bank balances other than cash and cash equivalents	593.88	326.88
Current Loans & Advances	-	-
Other Current Financial Assets	1930.11	1579.78
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)	-	-
Trade Receivables	2208.76	3164.66
Total	6546.31	6582.38

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

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

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

2. Credit risk

The credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from financial assets such as trade receivables, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with the counterparties that have sufficiently high credit ratings. The exposure and credit ratings of the counterparties are continuously monitored, and aggregate value of transactions is reasonably spread amongst the counterparties. There are no cases of historical defaults and hence no provision for expected credit loss is necessary.

3. Liquidity risk

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

11. Borrowings and Borrowing Cost

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

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

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

12. Provision and contingencies

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

13. Cash and cash equivalents

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

14. Earnings per share

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

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

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

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.

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 –

1. Accounting policy for measurement of investment

The entity is following cost model for recognition & measurement of investment.

2. The investment property is valued and recognised at Cost, therefore no such valuation is carried out by any professional/valuers.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd..)
3. Amounts recognised in the Profit & Loss Account

Rental income from Investment Property	11,83,130
Direct Operating Expenses arising from Investment Property generating rental income	
Municipal Tax/Property Tax	15,870
Flat Maintenance Charges	1,65,440
Direct Operating Expenses arising from Investment Property not generating rental income	NA

4. The existence and amounts of restrictions on the realisability 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 : 60 Years
 - Asset Schedule

Property	Opening as on 01.04.2021 [A]	Addition [B]	Deletion [C]	Depreciation for the year [D]	Closing value as on 31.03.2022 E=[A+B-C-D]
FLAT AT BANGALORE -JUNGFRAU BLOCK NO. 306	43,12,879	-	-	81,375	42,31,504
FLAT AT BANGALORE - JULIAN BLOCK NO. 307	43,12,879	-	-	81,375	42,31,504
FLAT AT BANGALORE - ARONIA BLOCK NO. 501	43,12,879	-	-	81,375	42,31,504
FLAT AT BANGALORE - ARONIA BLOCK NO. 307	43,12,879	-	43,12,879	-	-
TOTAL					1,26,94,512

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

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

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

20. Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

I. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

II. Ind AS 16 – Proceeds before intended use

The amendments specify that the excess of net sale proceeds of items produced while the Company is preparing the asset for its intended use over its cost of testing, if any, shall not be recognized in the profit or loss but shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

III. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

IV. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

V. Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry.

The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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Particulars	FY 2021-22	FY 2020-21	Variation (Increase/ Decrease as a % of last year ratio)	REMARKS - (If variation is more than 25%)
1. Current Ratio				
current assets	15,957.25	15,534.40		
current liabilities	10,284.44	10,723.22		
	1.55	1.45	7.10	
2. Debt Equity Ratio				
Total Debts	1,592.41	1,470.92		
Shareholders Equity	33,938.09	33,313.57		
	0.05	0.04	6.27	
3. Debt Service Coverage Ratio				
Earnings available for debt service	2,548.58	1430.73		
Debt Service	1,197.55	906.82		
	2.13	1.58	34.89	
4. Return on Equity				
Net Profits after taxes – Preference Dividend (if any)	271.35	(1,211.24)		The variance of various parameters (Ratios) over 25% for the year 2021-22 over the previous year is mainly due to the poor sales performance of the company in the previous year on account of outbreak of COVID 19 pandemic and imposition of lockdown during the year. The reduc- tion in sales performance have made substantial impact on various ratios in the previous year.
Average Shareholder's Equity	33,625.83	33,371.58	122.23	
5. Inventory Turnover Ratio				
Sales	12,291.63	8,048.95		
Average Inventory	10,831.65	10210.97		
Average inventory is (Opening + Closing balance / 2)	1.13	0.79	43.96	
6. Trade receivables turnover ratio				
Net Credit Sales	12,291.63	8,048.95		
Avg. Accounts Receivable	2,686.71	3635.69		
Average trade debtors = (Opening + Closing balance / 2)	4.57	2.21	106.65	
7. Trade Payables turnover ratio				
Net Credit Purchases	7,347.30	5,321.55		
Average Trade Payables	1,885.64	2,115.88		
	3.90	2.52	54.92	
8. Net capital turnover ratio				
Net Sales	12,291.63	8,048.95		
Working Capital	5,672.81	4,811.19		
Working capital shall be calculated as current assets minus current liabilities	2.17	1.67	29.52	
9. Net Profit Ratio				
Net Profit	271.35	(1,211.24)		
Net Sales	12,291.63	8,048.95		
	0.02	(0.15)	114.67	
10. Return on Capital Employed				
Earning before interest and taxes	1,701.83	(2.07)		
Capital Employed	37,075.18	36,171.80		
Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05	(0.00)	80,384.98	
11. Return on Investment	11.80%	12.31%	(0.84)	



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, 2022:

(Rupees in Lakhs)

Particulars	Property, Plant and Equipment								Other Intangible Asset			Total		
	Leasehold improvements	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Right to use Assets	Total	Investment Property	Goodwill		Other Intangible assets	Biological Assets Other than bearer plants
Gross carrying value as of April 1, 2021	8,070.69	9,102.77	16,265.04	42.40	35.13	115.00	165.58	248.46	34,045.07	198.90				34,243.97
Additions	-	335.82	619.75	6.35	36.47	-	99.78	62.42	1,160.59	-				1,160.59
Deletions	-	-	74.61	-	-	-	2.95	-	77.56	44.76				122.32
Gross carrying value as of March 31, 2022	8,070.69	9,438.59	16,810.18	48.75	71.60	115.00	262.41	310.88	35,128.10	154.14				35,282.24
Accumulated depreciation as of April 1, 2021	-	908.23	3,291.37	25.05	12.83	44.91	82.15	116.75	4,481.29	35.34				4,516.63
Depreciation	-	196.47	732.89	9.98	6.64	8.81	18.60	51.23	1,024.61	2.91				1,027.52
Accumulated depreciation on deletions	-	-	16.21	-	-	-	0.86	-	17.07	4.34				21.41



(Rupees In Lakhs)

Notes forming part of the financial statements (Contd...)

Particulars	Property, Plant and Equipment								Other Intangible Asset			Total	
	Leasehold improvements	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Right to use Assets	Total	Investment Property	Goodwill		Intangible assets under development
Accumulated depreciation as of March 31, 2022	-	1,104.70	4,008.05	35.03	19.47	53.72	99.89	167.98	5,488.83	33.91			5,522.74
Carrying value as of March 31, 2022	8,070.69	8,333.89	12,802.12	13.72	52.13	61.28	162.52	142.90	29,639.26	120.23			29,759.49
Carrying value as of March 31, 2021	8,070.69	8,194.54	12,973.67	17.35	22.30	70.09	83.43	131.71	29,563.78	163.56			29,727.34

CWIP aging schedule

(Rs. in Lakhs)

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	544.13	-	-	-	544.13
Advance for purchase of Land	-	-	-	62.52	62.52

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

Particulars	As at 31.03.2022				As at 31.03.2021			
	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	374.80	-	-	374.80
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	376.80	0.49	13.00	390.29
Of Above								
Quoted Investments								
Market Value								
Unquoted Investments	910.03	0.49	13.00	923.52	376.80	0.49	13.00	390.29
Impairment								

Other Financial Assets

Bank Deposits with more than 12 month Maturity

5. Other Non Current Assets	As at 31.03.2022	As at 31.03.2021
(i) Capital Advances/Prepaid Rent	8.50	8.82
(ii) Prepaid Interest - IND AS	4.30	4.30
(iii) Advances against purchase of shares		533.23
(IV) Security Deposits	34.04	36.48
	46.84	582.83
5. Non-Financial Assets :		
(i) PLA & Cenvet Credit	6.70	6.70
(ii) VAT credit receivable	19.66	19.66
(iii) Service Tax credit receivable	-	-
(iv) Income Tax Refund Receivable	212.18	171.22
	238.54	197.58
	285.38	780.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
6. Inventories

	As at 31.03.2022	As at 31.03.2021
Raw Materials	4,098.79	4,140.29
Work In Progress	1,916.64	1,980.42
Finished Goods	3,514.75	2,857.68
Stock in Trade	209.24	75.22
Stores and Spares	1,474.32	1,395.95
Loose Tools	-	-
Others	-	-
Total	11,213.73	10,449.56
Goods in Transit		
Method of Valuations	Weighted Average	Weighted Average

Note 7. Trade Receivables

Particulars	As at 31.03.2022	As at 31.03.2021
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	582.14	1,161.99
Doubtful	-	-
	582.14	1,161.99
Less: Provision for doubtful trade receivables	-	-
	582.14	1,161.99
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,626.62	2,002.67
Doubtful	-	-
	1,626.62	2,002.67
Less: Provision for doubtful trade receivables	-	-
	1,626.62	2,002.67
	-	-
Total	2,208.76	3,164.66

Note: Trade receivables include debts due from:

Particulars	As at 31.03.2022	As at 31.03.2021
Private companies in which any director is a director or member		
RNS Infrastructure Limited	-	699.15
Murudeshwar Power Corporation Pvt. Ltd.	-	590.90
Naveen Hotels Ltd	-	-
	-	1,290.05

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

Particulars	Outstanding for following periods from due date of payment As at 31 March, 2022				
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i) Undisputed Trade Receivables — considered good	1,626.62	561.99	15.59		2,204.20
(ii) Undisputed Trade Receivables — which have significant increase in credit risk		0			-
(iii) Undisputed Trade Receivables — credit impaired		0			-
(iv) Disputed Trade Receivables — considered good			4.56		4.56
(v) Disputed Trade Receivables — which have significant increase in credit risk		0			-
(vi) Disputed Trade Receivables — credit impaired		0			0

	As at 31.03.2022	As at 31.03.2021
8. Cash and Cash equivalents		
Balances with bank(of nature cash and Cash Equivalents)		
Earmarked Funds	4.75	89.75
Margin Money	222.92	190.07
Cheques/Drafts on hand		
Cash on hand	10.77	13.52
Others - (Current Account)	366.21	47.06
Total	604.65	340.40
NOTE : 9 OTHER CURRENT ASSETS		
(i) Capital Advances	-	-
(ii) Advances other than Capital Advances		
Security Deposits	557.69	534.43
Advances to Related Parties		
Other Advances		
Interest Accrued on Deposits	67.91	63.36
Total	625.60	597.79
(iii) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	378.33	267.43
Doubtful	-	-
Total	378.33	267.43
iv) Balances with government authorities		
Unsecured, considered good		
(i) GST Credit	88.24	44.72
(ii) PLA & Cenvet Credit		
(iii) VAT credit receivable		
(iv) Service Tax credit receivable		
(v) Income Tax Refund Receivable		
Total	88.24	44.72
v) Prepaid expenses - Unsecured, considered good	83.07	20.20
vi) Others - Advances		
Secured, considered good		
For supply of goods and rendering services	657.14	610.18
Advance Payment of Income Tax (Net of provision for Income Tax)	97.73	39.46
	754.87	649.64
Less: Provision for other doubtful loans and advances	-	-
Total	754.87	649.64
Total	1,930.11	1,579.78

(Rs. in lakhs)

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

10. Statement of changes in Equity

Particulars	Equity share capital	Other Equity						Total equity attributable to equity holders of the Company
		Money Re-ceived Against Share warrant	Securities Premium	Retained Earnings	General Reserve	Capital/Cap-ital Redemp-tion Reserve	IND AS Transition Reserve	
Restated Balance as on April 1, 2021	4,758.17	241.38	12,739.33	1,489.09	12,795.85	1,615.02	32.11	33,670.95
Changes in equity share capital	475.74		380.59	-	-		(2.47)	853.86
Additional provision								
Remeasurement of Deferred tax liability for the year								
Profit for the year				(1,187.46)				(1,187.46)
Remeasurement of the net defined benefit liability/asset, net of tax effect				(23.78)				(23.78)
Dividends (Including Corporate Dividend Tax)								
Balance as of March 31, 2021	5,233.91	241.38	13,119.92	277.85	12,795.85	1,615.02	29.64	33,313.57
Changes in equity share capital	261.66	(117.75)	209.33	-	-	0.78	72.67	426.69
Profit for the year				271.35	-			271.35
Remeasurement of the net defined benefit liability/asset, net of tax effect				(72.74)	-			(72.74)
Transfer to Capital Reserve	(0.78)							(0.78)
Interim Dividend (Including Corporate Dividend Tax)								
Final Dividends (Including Corporate Dividend Tax)								
Balance as of March 31, 2022	5,494.79	123.63	13,329.24	476.46	12,795.85	1,615.81	102.31	33,938.09

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

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

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	54972728	5,497.27
subscribed and fully paid	54947871	5,494.79
subscribed but not fully paid (Shares are forfeited and the amount received are disclosed under Capital reserve)	24857	0.78
(c) par value per Share;		10
(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	52331312	
at the end fully paid up	54947871	
(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	12140466	22.10%
MURUDESHWAR POWER CORPORATION PRIVATE LIMITED	18277283	33.26%
(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;		
• 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;		
(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; 5363948 warrants issued by the Board on 13.01.2021 in terms of approval accorded by the members on 26.12.2020 by postal ballot and out of 5363948 warrants, 2616559 warrants has already converted in equal number of equity shares on 12.02.2022 and balance 2747389 warrants are pending for convertible in the FY 2022-23.		
(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 24857	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	12140466	22.10		
MURUDESHWAR POWER CORPORATION PVT. LTD.	18277283	33.26	P.Y	% Change during the year
Others	8749486	15.92		
Total	39167235	71.28	69.85	1.44

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

11. Borrowings	As at 31.03.2022	As at 31.03.2021
Bonds and Debentures	-	-
Term Loans		
From Banks		
Secured	1,272.36	1,150.86
Unsecured	-	-
From Others	320.05	320.05
Deposits		
Loans from Related parties	-	-
Long term maturities of Finance lease obligations	-	-
Liability component of Compound Finance Instruments	-	-
Other loans	-	-
	1,592.41	1,470.91

The Term Loans from Banks are repayable in quarterly instalments. Interest is payable on monthly basis. The Term Loans from Canara 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, State Bank of India, Bank of Baroda, Axis Bank, Punjab National Bank and DBS Bank of India 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 Canara 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 GECL2.0-Extended availed from consortium banks namely Canara Bank, State Bank of India, Bank of Baroda, Punjab National Bank and Axis Bank are secured by second charge created / to be created on the immovable assets of the Company. Loans from Sundaram Finance Limited for specific assets are secure against hypothecation of specific items of assets financed for. Loan from LIC of India is against pledge of Key Man Policy. All the secured and unsecured loans other than public deposits have been further secured by way of Personal Guarantees by Promoter Directors of the Company to the extent applicable.

12. Non-Current Liabilities	As at 31.03.2022	As at 31.03.2021
Deferred Tax Liability		
Opening balance as on 01-04-2021	2,221.43	2,633.61
ADD : Provision for the year	157.38	(412.18)
Deferred Payment Liabilities	2,378.81	2,221.43
Less : Deferred Tax Asset- MAT Credit		
Others MAT Credit		
Opening Balance	834.12	839.09
Add: Provided for the year	-	-
Less: Excess Provision Reversed	-	4.97
Closing Balance	834.12	834.12
Deferred Tax Liability (Net)	1,544.69	1,387.31

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

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

Note 13 Other long-term liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Trade Payables :		
(i) Acceptances	-	143.98
(ii) Other than Acceptances	-	-
(b) Lease Liabilities	172.66	161.95
Total	172.66	305.93

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

	As at 31.03.2022	As at 31.03.2021
Employee Benefits	-	-
Others	-	-
Total	-	-

Note 14 Trade payables

Particulars	As at 31.03.2022	As at 31.03.2021
Trade payables:		
Acceptances	254.54	390.85
Other than Acceptances	1,637.51	1,488.38
Total	1,892.05	1,879.23

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	13.41				13.41
(ii) Others	1,878.64				1,878.64
(iii) Disputed dues — MSME	0				0
(iv) Disputed dues - Others	0				0

15. Borrowings	As at 31.03.2022	As at 31.03.2021
Bonds and Debentures		
Loans repayable on demand from Banks:		
From Banks		
Secured	6,511.29	6,847.14
Unsecured	-	-
Total	6,511.29	6,847.14

The Cash Credit and other working capital facilities from the consortium of Bankers namely, Canara Bank, State Bank of India, Bank of Baroda, DBS Bank India Ltd, Punjab National Bank and Axis Bank are secured by way of hypothecation of Raw materials, Stock in Process, Finished Goods, Book Debts and Goods meant for export on pari-passu basis and further secured by way of first charge 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 Promoter Directors of the Company to the extent applicable.

16. Other Current Liabilities	As at 31.03.2022	As at 31.03.2021
Advances from Customers	375.61	490.78
Term Loan Instalments payable within one year	843.38	632.50
Deposits - DLR	68.57	68.77
Statutory remittances	166.73	114.55
(i) Contributions to PF and ESIC, Withholding Taxes, Excise Duty, GST, Service Tax, etc.)		
(ii) Contractually reimbursable expenses	1.34	1.48
(iii) Salary & Wages Payable	310.13	428.50
(iv) Outstanding Liabilities for Expenses	37.68	195.00
(v) Interest accrued on borrowings	-	-
(vi) Bank Current Account	-	-
Total	1,803.44	1,931.58

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

17. Provisions	As at 31.03.2022	As at 31.03.2021
Employee Benefits	66.13	73.61
Current Tax Provision	11.54	(8.36)
Total	77.67	65.26

Note 18 Revenue from operations			
Particulars		For the year ended 31.03.2022	For the year ended 31.03.2021
(a)	Sale of products	8,224.24	5,928.33
(b)	Sale of services	4,054.22	2,113.66
(c)	Other operating revenues	13.17	6.96
		12,291.63	8,048.95
	<u>Less:</u>		
(d)	Excise duty	-	-
	Total	12,291.63	8,048.95
(i)	Sale of products comprises		
	<u>Manufactured goods</u>	6,595.36	4,117.57
		-	-
		-	-
	Total - Sale of manufactured goods	6,595.36	4,117.57
	<u>Traded goods</u>	1,628.88	1,810.75
	Total - Sale of traded goods	1,628.88	1,810.75
	Total - Sale of products	8,224.24	5,928.33
(ii)	Sale of services comprises		
	Service - Earth Work	4,054.22	2,113.66
	Service - Road Work	-	-
	Total - Sale of services	4,054.22	2,113.66
(iii)	Other operating revenues comprise:		
	Sale of Scraps	13.17	6.96
	Trasportation & Loading & Unloading	-	-
	Total - Other operating revenues	13.17	6.96

Note 19 Other income			
Particulars		For the year ended 31.03.2022	For the year ended 31.03.2021
(a)	Interest income	19.90	33.59
(b)	Dividend income: associates	63.30	68.51
(c)	Other non-operating income (net of expenses directly attributable to such income)	58.38	24.14
(d)	Subsidy Received	-	-
	Total	141.58	126.24
(i)	Interest income comprises:		
	Interest from banks on: deposits	19.90	33.59
	Total - Interest Income	19.90	33.59
(ii)	Other non-operating income comprises:		
	Other Income	0.70	-

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

Particulars		For the year ended 31.03.2022	For the year ended 31.03.2021
	Insurance Claim Received	5.44	0.96
	Profit on sale of fixed assets [net of expenses directly attributable]	40.24	8.88
	Prior period items (net) (Refer Note (iii) below)	-	-
	Miscellaneous income [net of expenses directly attributable]	0.17	0.00
	Rent Received	11.83	14.30
	Total - Other non-operating income	58.38	24.14
(iii)	Details of Prior period items (net)		
	Prior period income - VAT Refund	-	-
	Prior period expenses	-	-
	Total	-	-

Note 20. Cost of materials consumed

Particulars		For the year ended 31.03.2022	For the year ended 31.03.2021
	Opening stock	4,140.29	3,546.81
	Add: Purchases	2,598.02	2,218.60
		6,738.31	5,765.41
	Less: Closing stock	4,098.79	4,140.29
	Cost of material consumed	2,639.52	1,625.12
	Material consumed comprises: Clay	1,538.14	1,136.53
	Glaze & Pigments	817.72	360.46
	Packing Material	281.41	126.23
	Other items	2.25	1.90
	Total	2,639.52	1,625.12

Purchase of traded goods

	Traded goods	1,339.13	1,451.25
	Total	1,339.13	1,451.25

Note 21 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars		For the year ended 31.03.2022	For the year ended 31.03.2021
	<u>Inventories at the end of the year:</u>		
	Finished goods	3,514.75	2,878.83
	Work in progress	1,916.64	1,980.42
	Stock-in-trade	-	-
		5,431.39	4,859.25
	<u>Inventories at the beginning of the year:</u>		
	Finished goods	2,878.83	2,731.75
	Work-in-progress	1,980.42	2,126.41
	Stock-in-trade	-	-
		4,859.25	4,858.16
	Net (increase) / decrease	(572.14)	(1.09)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 22 : Employee benefits expense

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	Salaries and wages	930.08	624.37
	Contributions to provident and other funds	43.89	58.60
	Staff welfare expenses	481.40	481.41
	<i>Defined Benefit Obligation - Gratuity</i>	14.33	16.46
	<i>Defined Benefit Obligation - Leave Encashment</i>	22.48	15.33
	<i>Other Employee Benefit Expenses</i>	52.19	21.50
	Total	1,544.37	1,217.67

Note 23 : Finance costs

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(a) Interest expense on:		
	(i) Borrowings TL CC	973.39	1,108.36
	(ii) Trade payables FC	186.48	238.42
	(iii) Others		-
	Interest on Lease Liabilities	14.00	27.47
	Int Security deposits	4.04	4.05
	Int Income Tax	-	0.48
	(b) Other borrowing costs	151.85	213.82
	Total	1,329.75	1,592.60

Note 24 : Other expenses

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	Consumption of stores and spare parts	337.70	240.54
	Consumption of loose tools	-	-
	Consumption of packing materials	-	-
	Increase / (decrease) of excise duty on inventory	-	-
	Subcontracting	24.64	-
	Power and fuel	2,720.19	1,385.96
	Rent	29.39	19.47
	Repairs and maintenance - Buildings	7.11	14.04
	Repairs and maintenance - Machinery	17.77	28.83
	Repairs and maintenance - Others	90.37	78.57
	Insurance	95.08	179.90
	Rates and taxes	286.76	107.53
	Communication	17.75	15.13
	Travelling and conveyance	279.01	253.85
	Printing and stationery	17.94	13.51
	Freight and forwarding	489.63	299.22
	Sales commission	12.75	13.32
	Sales discount	115.84	60.26
	Export Expenses	49.38	15.60

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

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	Business promotion	9.52	6.46
	Donations and contributions	0.12	1.68
	Legal and professional	39.71	27.29
	Payments to auditors	6.00	6.00
	Directors Sitting Fees	7.70	7.61
	Advertisement & Publicity	1.64	2.69
	Sales Promotion Expenses	1.33	8.64
	Selling & Distr.expenses-Others	35.43	25.14
	Security Charges	17.23	17.76
	CSR payments	5.70	9.11
	Loss on fixed assets sold / scrapped	16.85	9.48
	Miscellaneous expenses	20.46	11.75
	Total	4,752.98	2,859.34
	(i) Payments to the auditors comprises		
	As auditors - statutory audit	3.00	3.00
	For taxation matters	0.50	0.50
	For management services	0.50	0.50
	Reimbursement of expenses	2.00	2.00
	Total	6.00	6.00

Note 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. 36,67,795** (Year ended 31st March, 2021 Rs. 34,52,196) for Provident Fund contributions and **Rs. 17,75,661** (Year ended 31st March, 2021 Rs. 17,61,329) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of schemes.

25.1.b **DEFINED BENEFIT PLANS**
The Company offers the following employee benefit schemes to its employees :
i. **Gratuity** : The following tables sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements :

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
		Gratuity	Gratuity
A	Change in Defined Benefit Obligations (DBO) during the year		
	Defined Benefit Obligation at the beginning of the year	327.61	310.01
	Current service cost	16.28	17.99
	Interest Expense	22.61	21.70
	Benefit Payment from Plan Assets	-	(34.15)
	Remeasurement - Due to Financial Assumptions	(2.16)	1.51
	Remeasurement - Due to Experience Adjustments	(76.78)	10.55
	Present value of DBO at the end of the year	287.56	327.61

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note : 25 Disclosure under Accounting Standards (Contd..)

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
		Gratuity	Gratuity
B	Change in Fair Value of Plan Assets during the year:		
	Fair Value of Plan Assets at the beginning of the year	354.89	329.66
	Interest Income	24.56	23.23
	Actual company contributions	2.00	38.47
	Employers Contribution	(3.10)	(2.31)
	Benefit Payments from Plan Assets	-	(34.15)
	Plan assets at the end of the year	378.34	354.89
	Actual return on plan assets	16.28	17.99
C	Components of Defined Benefit Cost		
	Current service cost	16.28	17.99
	Interest Expenses on DBO	22.61	21.70
	Interest (Income) on Plan Assets	(24.56)	(23.23)
	Total Net Interest Cost	(1.95)	(1.53)
	Defined Benefit Cost included in P & L	14.33	16.46
	Remeasurement - Due to Financial Assumptions	(2.16)	1.51
	Remeasurement - Due to Experience Adjustments	(76.78)	10.55
	(Return) on Plan Assets (Excluding Interest Income)	3.10	2.31
	Total Remeasurements in OCI	(75.83)	14.38
	Total Defined Benefit Cost recognised in P & L and OCI	(61.50)	30.84
D	Amount Recognised in the Statement of Financial Position		
	Defined Benefit Obligation	287.56	327.61
	Fair Value of Plan Assets	378.34	354.89
	Fund Status	(90.78)	(27.28)
	Effect of Assets Ceiling/Onerous Liability	-	-
	Net Defined Benefit Liability / (Assets)	(90.78)	(27.28)
E	Net Defined Benefit Liability / (Assets) Reconciliation		
	Net Defined Benefit Liability/(Assets) at Beginning of the year	(27.28)	(19.64)
	Defined Benefit Cost included in P & L	14.33	16.46
	Total Remeasurements included in OCI	(75.83)	14.38
	Employers Contributions	(2.00)	(38.47)
	Net Defined Benefit Liability/(Assets) at end of the year	(90.78)	(27.28)
	Weighted Average Asset Allocations at the year end		
	Government Bonds	-	-
	PSU bonds	-	-
	Equity Mutual funds	-	-
	Insurance Policies	100%	100%
	Actuarial assumptions		
	Discount rate	7.10%	6.90%
	Salary escalation	6.00%	6.00%

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

Note 26 Additional information to the financial statements				
Particulars				
26.1	Contingent liabilities and commitments (to the extent not provided for)		As at 31.03.2022	As at 31.03.2021
(i)	Contingent liabilities			
	(a) Claims against the Company not acknowledged as debt (give details)		-	-
	(b) Guarantees		269.93	389.91
	(c) Letters of Credit established with Banks		1,752.85	1,977.94
(ii)	Commitments		175.65	-
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets		175.65	-
26.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006			
Particulars			As at 31.03.2022	As at 31.03.2021
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year		13.41	35.28
(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		-	-
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 31.03.2022	Maximum balance outstanding during the year
	Murudeshwar Power Corporation Pvt. Ltd.	Associates	297.88	297.88
	RNS Powers Ltd.	Associates	610.15	76.92
The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:				
As at 31 March, 2022			As at 31 March, 2021	
Payable	Payable in Foreign currency		Payable	Payable in Foreign currency
(Rs. in lakhs)	(indicate amount with currency)		(Rs. in lakhs)	(indicate amount with currency)
315.93	US\$ 410,830		731.98	US\$ 995,834
Particulars				
26.4	Value of imports calculated on CIF basis:		For the year ended 31.03.2022	For the year ended 31.03.2021
	Raw materials		-	-
	Components		44.70	44.17
	Spare parts		39.40	24.44
	Total Components and spare parts		84.10	68.61
	Capital goods		0.60	337.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 26 Disclosures under Accounting Standards (contd..)

26.5	Expenditure in foreign currency :	For the year ended 31.03.2022	For the year ended 31.03.2021
	Travel	-	-
26.6	Details of consumption of imported and indigenous items *	For the year ended 31 March, 2022	
		(Rs. in lakhs)	%
	<u>Imported</u>		
	Raw materials	5.44 (17.22)	5.85 (13.17)
	Components	52.01 (51.31)	55.91 (39.23)
	Spare parts	35.57 (62.25)	38.24 (47.60)
	Total	93.02 (130.78)	100.00 (100.00)
	<u>Indigenous</u>		
	Raw materials	2,634.09 (1,607.90)	91.33 (92.68)
	Components	51.17 (35.59)	1.77 (2.05)
	Spare parts	198.94 (91.38)	6.90 (5.27)
	Total	2,884.20 (1,734.87)	100.00 (100.00)
	Note: Figures / percentages in brackets relates to the previous year		

Note 27 Disclosures under Accounting Standards

For the year ended 31st March, 2022			
27.1	Segment information		
	<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	8,237.41	4,054.22
	Inter-segment revenue	-	-
	Total	8,237.41	4,054.22
	Less: Central Excise	-	-
	Net Revenue	8,237.41	4,054.22
	Segment result	122.15	169.36
	Unallocable expenses (net)	-	-
	Operating income	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 27 Disclosures under Accounting Standards (contd..)

	Particulars	Sale of Product	Sales of Services	Total
	Other income (net)			80.57
	Profit before taxes			372.08
	Tax expense			157.38
	Net profit for the year			214.70
27.2	Segment assets	42,077.29	1,826.50	43,903.79
	Unallocable assets	-	-	3,628.50
	Total assets	42,077.29	1,826.50	47,532.29
	Segment liabilities	10,829.38	1,258.93	12,088.31
	Unallocable liabilities	-	-	35,443.98
	Total liabilities	10,829.38	1,258.93	47,532.29
	<u>Other information</u>			-
	Capital expenditure (allocable)	31,247.91	567.57	31,815.48
	Capital expenditure (unallocable)			(31,815.48)
	Depreciation and amortisation (allocable)	917.88	109.64	1,027.52
	Particulars			
27.3	Related party transactions			
	Details of related parties:			
	Description of relationship			
	Associates	M/s. RNS Infrastructure Ltd M/s. Murudeshwar Power Corp. Ltd M/s. Naveen Hotels Ltd RNS Motors 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	Satish R Shetty, Sunil R Shetty and Naveen R Shetty are sons of Dr. R N Shetty Sudha R Shetty, wife of Dr. R N 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 31st March, 2022 and balances outstanding as at 31st March, 2022:			
		Associates		Total
	Purchase of goods	174.13		174.13
		(169.04)		(169.04)
	Sale of goods	179.75		179.75
		(71.32)		(71.32)
	Sale of fixed assets	-		-
		(0.35)		(0.35)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 27 Disclosures under Accounting Standards (contd..)

	Particulars		
	Purchase of Fixed Assets	115.50	115.50
	Rendering of services		
	RNS Infrastructure Ltd	4,459.64	4,459.64
		(2,320.94)	(2,320.94)
	Investment in Shares	-	-
		(1,097.71)	(1,097.71)
	Receiving of services	2.07	2.07
		(2.14)	(2.14)
	Dividend Received	63.30	63.30
		(68.51)	(68.51)
	Issues of Equity	353.24	353.24
	<u>Balances outstanding at the end of the year</u>		
	Trade receivables	196.14	196.14
		(1,245.75)	(1,245.75)
	Trade payables	174.60	174.60
		(180.68)	(180.68)

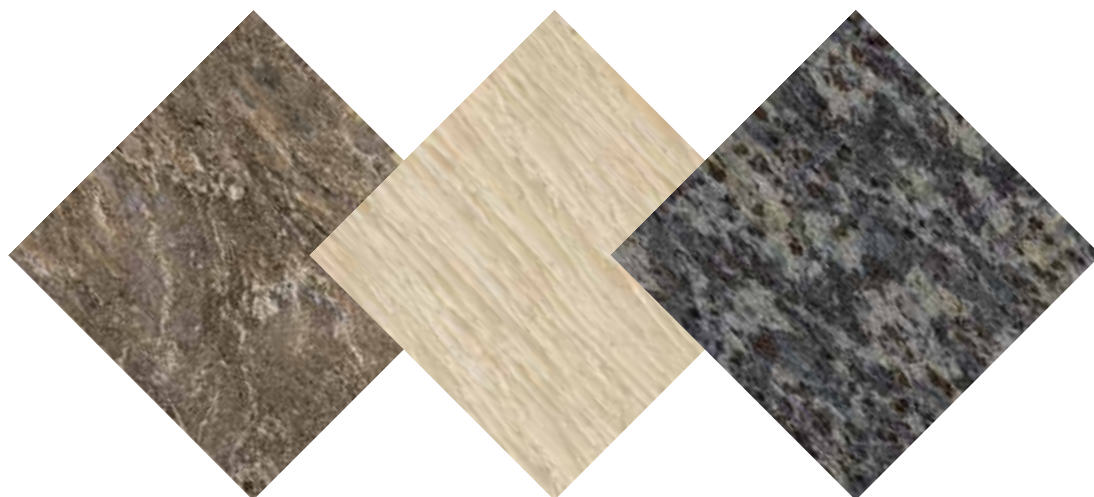
Note: Figures in bracket relates to the previous year

Note 28 Disclosures under Accounting Standards

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
28.1	Earnings per share		
	<u>Basic</u>		
28.1.a	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	271.35	(1,211.24)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	271.35	(1,211.24)
	Weighted average number of equity shares	5,49,47,871	4,87,63,270
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	0.49	(2.48)
28.2	Income Tax Expenses in Profit & Loss Account		
	Consist of following:		
	Current Tax	(19.90)	(8.35)
	Prior Period Tax	-	(1.01)
	Deferred Tax	157.38	(412.18)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 28 Disclosures under Accounting Standards (contd..)

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	MAT Credit Entitlement	-	4.97
	Total Tax Expenses	137.48	(415.56)
	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:	372.08	(1,594.67)
	Applicable rate	27.82%	27.82%
	Computed tax charges	(19.90)	8.35
	Less : Tax effected due to difference in tax rates	-	-
	Less : Reversal of Excess provision for previous year	-	-
	Add: (Increase) Decrease in Deferred tax liability	157.38	(412.18)
	Less : Increase (Decrease) in Deferred Tax Asset	-	-
	Less: Mat credit entitlement	-	(4.97)
	Total Tax Expenses	137.48	(415.56)
	Less : Total Expenses as per P & L	137.48	(415.56)
	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 31 March 2022, 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, 2022, 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 The Value of inventory as at 31.03.2022 is 11213.73 lakhs which is 23.59% of total asset value. given the size of the inventory balance relative to the total asset size of the company, the valuation of inventory required significant audit attention. As disclosed in the notes forming part of statement of accounts inventories are held at the lower of cost or net realisable value determined using weighted average cost. The determination of valuation of inventory requires management to exercise qualitative judgments and apply assumptions</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 On a sample basis, we tested the net realisable value of inventory to recent selling prices. We have also considered the stock audit report by stock auditors engaged by the lending bank to ensure that there are no inconsistencies in reporting At the year end the valuation of inventory is reviewed by management and cost of inventory is revalued where inventory is forecast to be sold below cost. In the view of the management, basic raw material used is clay for manufacturing of tiles and the same being a natural resources, does not have any depletion in value over the passage of time.</p>

Key Audit Matter	Auditor's Response
<p>2. Property, Plant and Equipment Additions to Fixed assets during the year were 936.31 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 implantation 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.</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 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 loss of 48.95 lakhs for the year ended 31st March, 2022, 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 2022 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 March 2022 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.
 - 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.
 - 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
 - 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 not declared/paid any dividend during the financial year under audit.
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 - 22217422ANCAPR4521

Place: Bengaluru
Date: 30.05.2022

ANNEXURE - A to the Independent Auditor's 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 2022 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 and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 : 30.05.2022

Krishnaraj K
 Partner
 (Membership Number - 217422)
UDIN - 22217422ANCAPR4521

ANNEXURE - B to the Independent Auditor's 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 consolidated 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, 2022 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 in agreement with the books of account of the Company except the details submitted in the last quarter, details of variances are as under –

Inventory as per books as on 31.03.2022 (Rs. In Lakhs)	Inventory as per details submitted to the banker as on 31.03.2022 (Rs. In Lakhs)	Difference (Rs. In Lakhs)
11,213.73	9875.69	1338.04 (Shown less in the statement submitted to the banker)

- 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) Details of the guarantee given by the company

Guarantee given to during the year	Guarantee as at the end of the year
350 Crores	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. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- 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.
 - 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, 2022 for a period of more than six months from the date they became payable.
 - Details of dues of income tax, excise duty and custom duty which have not been deposited as at 31.03.2022 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. 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 and has incurred cash loss of Rs.569.70 Lakhs 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) For the financial year 2021 - 22 reporting under clause 3(xx)(a) of the Order is not applicable.
- 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.

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

Sd/-
Krishnaraj K
Partner
(Membership Number - 217422)

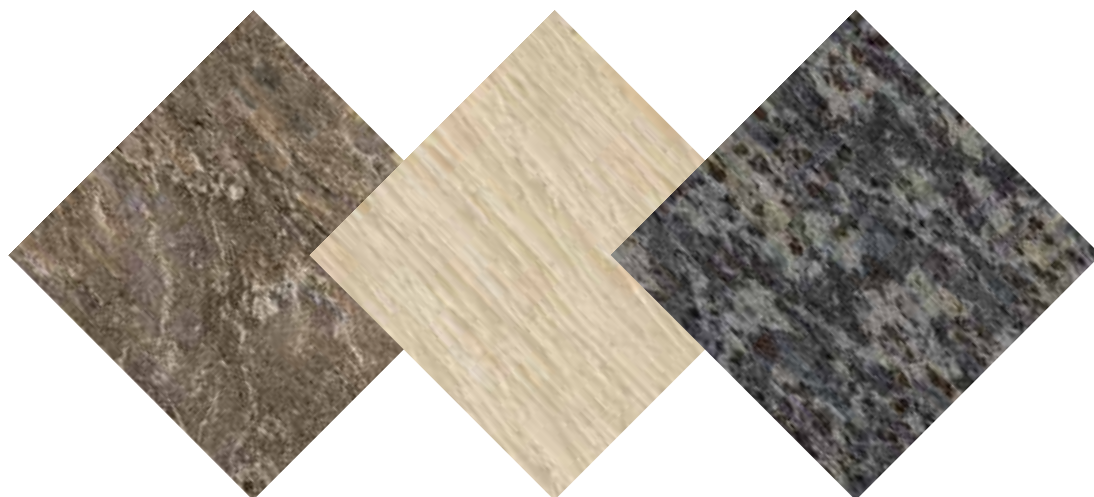
Place : Bengaluru
Date : 30.05.2022

UDIN - 22217422ANCAPR4521

Murudeshwar Ceramics Ltd
Audited Financial Statement From 01st APRIL 2021 To 31st MARCH 2022
Consolidated Balance Sheet as at 31st March, 2022

Particulars	Notes	March 31, 2022 (Rupees in lakhs)
ASSETS		
1 - Non Current Assets		
(a) Property, plant and equipment	3	29,759.49
(b) Capital work-in-progress		606.65
(c) Investment Property		
(d) Goodwill		
(e) Other Intangible assets		
(f) Intangible assets under development		
(g) Biological Assets Other than bearer plants		
(h) Financial assets		
(i) Investments	4	965.58
(ii) Trade Receivables		
(iii) Loans		
(i) Deferred tax Assets (Net)		-
(j) Other non-current assets	5	285.38
Total non - current Assets (A)		31,617.10
2 - Current Assets		
(a) Inventories	6	11,213.73
(b) Financial assets		
(i) Investments		
(ii) Trade Receivables	7	2,208.76
(iii) Cash and cash equivalents	8	604.65
(iv) Bank balances other than (iii) above		
(v) Loans		
(vi) Others		
(c) Current Tax Assets (Net)		
(d) Other current assets	9	1,930.11
Total current assets (B)		15,957.25
Total Assets (A+B)		47,574.35
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	10	5,494.79
(b) Other equity		28,485.36
Total equity		33,980.15
LIABILITIES		
1. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	11	1,592.41
(ia) Lease Liabilities	13	172.66
(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	1,544.69

Particulars	Notes	March 31, 2022	
(d) Other Non Current Liabilities			
Total non-current liabilities		3,309.76	
2 - Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease Liabilities			
(ii) Trade payables	14	1,892.04	
(A) total outstanding dues of micro enterprises and small enterprises		13.41	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,878.63	
(iii) Other financial liabilities	15	6,511.29	
(b) Other current liabilities	16	1,803.44	
(c) Provisions	17	77.67	
(d) Current Tax Liabilities (Net)			
		10,284.44	
Total equity and liabilities		47,574.35	
In terms of our report attached For K.G.Rao & Co. Chartered Accountants ICAI FIRM REGN. No. : 010463S KRISHNARAJ K Partner Membership No. : 217422 UDIN : 22217422ANCAPR4521 Place : Bengaluru Date : 30.05.2022	For and on behalf of the Board of Directors MURUDESHWAR CERAMICS LIMITED SATISH R SHETTY <i>Chairman & Managing Director</i> (DIN 00037526) DR. S S HIREMATH <i>Director</i> (DIN 02272897) SATHYA MURTHY PDAKI <i>Director</i> (DIN 08276537)	NAVEEN R SHETTY <i>Director</i> (DIN 00058779) SANKAPP A K SHETTY <i>Director</i> (DIN 00894366) N M HEGDE <i>Vice President (Finance) & CFO</i>	SUNIL R SHETTY <i>Director</i> (DIN 00037572) SARVANI ALVA <i>Director</i> (DIN 06896403) ASHOK KUMAR <i>Company Secretary</i>



Audited Financial Statement From 01st APRIL 2021 To 31st MARCH 2022
Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

Particulars	Notes	March 31, 2022 (Rupees in lakhs)
I. REVENUES:		
Revenue from operations	18	12,291.63
Other Income	19	141.58
Total Income		12,433.21
II. EXPENSES:		
Cost of materials consumed	20	2,639.52
Purchase of Stock in Trade		1,339.13
Changes in inventory of finished goods and work-in progress	21	(572.14)
Employee benefit expenses	22	1,544.37
Finance costs	23	1,329.75
Depreciation and amortisation expense	3	1,027.52
Other expenses	24	4,752.98
Total Expenses		12,061.13
III. Profit/(loss) before exceptional items and tax (I-II)		372.08
IV. Tax Expense		
Current Tax		-
Deferred tax		157.38
Deferred Tax Provision for Earlier years Reversed		
Less : MAT Credit Entitlement		-
Add : MAT Credit Reversed		-
Total tax expense		157.38
V. Profit/(loss) for the period from continuing operations		214.70
VI. Other comprehensive income		
(a) (i) Items that will not be reclassified to profit or loss		
-Remeasurement of Defined benefit plans		76.55
-Others		
(ii) Income tax relating to items that will not be reclassified to profit and loss		(19.90)
(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		56.65
VII. Total comprehensive income for the period (V+V1)		271.35
<i>(Comprising Profit(Loss) and Other Comprehensive Income for the year)</i>		
VIII. Profit/(Loss) for the year attributable to :		
- Associate (RNS Power Limited)		(48.95)
IX. Total comprehensive income for the period (VII+VIII)		222.40
<i>(Comprising Profit(Loss) and Other Comprehensive Income for the year)</i>		
VIII. Earnings per equity share (for discontinued & continuing operation):		
Basic Rs.		0.40
Diluted Rs.		0.39

In terms of our report attached
For **K.G.Rao & Co.**
Chartered Accountants
ICAI FIRM REGN. No. : 010463S
KRISHNARAJ K
Partner
Membership No. : 217422
UDIN : 22217422ANCAPR4521
Place : Bengaluru
Date : 30.05.2022

For and on behalf of the Board of Directors

MURUDESHWAR CERAMICS LIMITED
SATISH R SHETTY
Chairman & Managing Director
(DIN 00037526)

DR. S S HIREMATH
Director
(DIN 02272897)

SATHYA MURTHY PADAKI
Director
(DIN 08276537)

ANNAPPAYYA
Director
(DIN 03558522)

KARAN SATISH SHETTY
Whole Time Director
(DIN 08168200)

NAVEEN R SHETTY
Director
(DIN 00058779)

SANKAPP A K SHETTY
Director
(DIN 00894366)

N M HEGDE
Vice President (Finance) & CFO

SUNIL R SHETTY
Director
(DIN 00037572)

SARVANI ALVA
Director
(DIN 06896403)

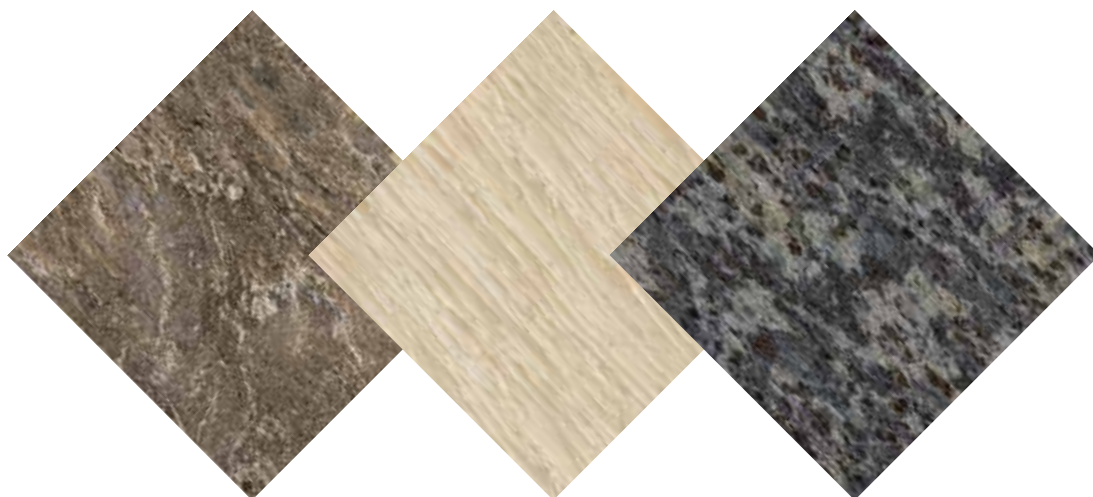
ASHOK KUMAR
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
For The Period From April 2021 to March - 2022
(Rupees in lakhs)

	2021-22
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Net profit before tax & extra - ordinary items	214.70
Adjustments for:	
Net Profit/(Loss) of the Associate	(48.95)
Depreciation	965.10
Interest Paid	987.39
Rent Received	(11.83)
Loss on Sale of Fixed Assets	16.85
Profit on Sale of Assets	(40.24)
Interest Income on Investments	(19.90)
Dividend received	(63.30)
Provision for taxation	-
Remeasurement of defined benefit plans	56.65
Operating profit before working capital changes	2,056.47
Adjustments for:	
Increase/(Decrease) in Long Term Liability	168.09
Decrease / (Increase) in Inventories	(764.17)
Decrease / (Increase) in Trade receivables	955.90
Increase / (decrease) in Trade Payables	(131.17)
Decrease/(Increase) in Short term loans & advances	
Decrease/(Increase) in Other Current Assets	(252.60)
Decrease/(Increase) in Long Term Loans & Advances	495.03
Increase / (decrease) in Other Current Liabilities	(128.14)
Increase / (decrease) in Short Term Provisions	12.41
Cash generated from operations	2,411.82
Taxes paid	(97.73)
Cash flow before extra - ordinary item	
Net Cash from Operating Activities	2,314.09
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed Assets	(936.30)
Sale of fixed assets	124.30
Interest received	19.90
Dividend received	63.30
Rent received	11.83
Investments	(575.29)
Net cash flow from investing activities	(1,292.26)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Long term Borrowings repaid	121.49
Short Term Borrowings repaid	(335.85)
Proceeds from Issue of Share Capital	470.98
Issue of Share Warrants	(117.75)
IND AS Transition Reserve	(0.07)
Change in Capital reserve	91.01
Interest paid	(973.39)
Interest on Lease Liabilities	(14.00)
Net cash used in Financial activities	(757.58)

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
For The Period From April 2021 to March - 2022
(Rupees in lakhs)

	2021-22												
NET INCREASE IN CASH AND CASH EQUIVALENTS	264.25												
CASH AND CASH EQUIVALENTS AS ON 31.03.2021	340.40												
CASH AND CASH EQUIVALENTS AS ON 31.03.2022	604.65												
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.													
Cash on hand and balances with banks	604.65												
Short Term investments	-												
Cash and cash equivalents effect of changes in Exchange rates	-												
Cash and cash equivalents as restated	604.65												
<table border="0" style="width: 100%;"> <tr> <td style="width: 25%;"> In terms of our report attached For K.G.Rao & Co. Chartered Accountants ICAI FIRM REGN. No. : 010463S KRISHNARAJ K Partner Membership No. : 217422 UDIN : 22217422ANCAPR4521 Place : Bengaluru Date : 30.05.2022 </td> <td style="width: 25%;"> For and on behalf of the Board of Directors MURUDESHWAR CERAMICS LIMITED SATISH R SHETTY <i>Chairman & Managing Director</i> (DIN 00037526) </td> <td style="width: 25%;"> NAVEEN R SHETTY <i>Director</i> (DIN 00058779) </td> <td style="width: 25%;"> SUNIL R SHETTY <i>Director</i> (DIN 00037572) </td> </tr> <tr> <td> DR. S S HIREMATH <i>Director</i> (DIN 02272897) </td> <td> ANNAPPAYYA <i>Director</i> (DIN 03558522) </td> <td> SANKAPP A K SHETTY <i>Director</i> (DIN 00894366) </td> <td> SARVANI ALVA <i>Director</i> (DIN 06896403) </td> </tr> <tr> <td> SATHYA MURTHY PDAKI <i>Director</i> (DIN 08276537) </td> <td> KARAN SATISH SHETTY <i>Whole Time Director</i> (DIN 08168200) </td> <td> N M HEGDE <i>Vice President (Finance) & CFO</i> </td> <td> ASHOK KUMAR <i>Company Secretary</i> </td> </tr> </table>		In terms of our report attached For K.G.Rao & Co. Chartered Accountants ICAI FIRM REGN. No. : 010463S KRISHNARAJ K Partner Membership No. : 217422 UDIN : 22217422ANCAPR4521 Place : Bengaluru Date : 30.05.2022	For and on behalf of the Board of Directors MURUDESHWAR CERAMICS LIMITED SATISH R SHETTY <i>Chairman & Managing Director</i> (DIN 00037526)	NAVEEN R SHETTY <i>Director</i> (DIN 00058779)	SUNIL R SHETTY <i>Director</i> (DIN 00037572)	DR. S S HIREMATH <i>Director</i> (DIN 02272897)	ANNAPPAYYA <i>Director</i> (DIN 03558522)	SANKAPP A K SHETTY <i>Director</i> (DIN 00894366)	SARVANI ALVA <i>Director</i> (DIN 06896403)	SATHYA MURTHY PDAKI <i>Director</i> (DIN 08276537)	KARAN SATISH SHETTY <i>Whole Time Director</i> (DIN 08168200)	N M HEGDE <i>Vice President (Finance) & CFO</i>	ASHOK KUMAR <i>Company Secretary</i>
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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note : 1 Corporate Information**

Murudeshwar Ceramics Limited (the Company) was established in the year 1983. The Company is manufacturing and trading Ceramic and Vitrified floor & wall Tiles. The Registered Office of the Company is at 604/B, Murudeshwar Bhavan, Gokul Road, Hubli – 580 030 and the Corporate Office is at Naveen Complex, 7th Floor, 14, M.G.Road, Bengaluru – 560 001. The Company is having 2 manufacturing plants at Sira, Dist. Tumkur and Karaikal, Pondicherry. The Company trading Vitrified Tiles and Ceramic Tiles sourced through job work basis 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.
- f) 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country 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 / consolidation

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 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.

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

The Disclosure as per IND AS is given as under –

As on 31.03.2022

(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	-	-	2208.76	2208.76	-
Cash and cash equivalents including other bank balances	8	-	-	604.65	604.65	-
Investments	4	-	-	965.58	965.58	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	3778.99	3778.99	-
Financial Liabilities:						
Trade payables	14	-	-	1892.04	1892.04	-
Lease Liabilities	13	-	-	172.66	172.66	-
Other financial liabilities	15	-	-	6511.29	6511.29	-
Total Financial Liabilities		-	-	8575.99	8575.99	-

As on 31.03.2021

(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	-	-	3,164.66	3,164.66	-
Cash and cash equivalents including other bank balances	8	-	-	340.40	340.40	-
Investments	4	-	-	390.29	390.29	-
Other financial assets	5	-	-	-	-	-
Total Financial Assets		-	-	3,895.35	3,895.35	-
Financial Liabilities:						
Trade payables	14	-	-	2,023.21	2,023.21	-
Lease Liabilities	13	-	-	161.95	161.95	-
Other financial liabilities	15	-	-	9,705.36	9,705.36	-
Total Financial Liabilities		-	-	11,890.52	11,890.52	-

Other Financial Instruments and Cash & Cash Equivalents

The Company held cash and cash equivalents of Rs.604.65 Lakhs (31st March 2021 - Rs. 340.40 Lakhs). The cash and cash equivalents are held with banks with high rating. The Company held deposits with banks and financial institutions of Rs.593.88 Lakhs (31st March 2021 - Rs. 326.88 Lakhs), In order to manage the risk, Company places deposits with only high rated banks/ institutions.

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

Particulars	As at 31-Mar-22	As at 31-Mar-21
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL).		
Non-current Investment	965.58	390.29
Non-current Loans & Advances	238.54	197.58
Other Non-Current Financial Assets	46.85	582.83
Cash & Cash Equivalent	604.65	340.40
Bank balances other than cash and cash equivalents	593.88	326.88
Current Loans & Advances	-	-
Other Current Financial Assets	1930.11	1579.78
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)	-	-
Trade Receivables	2208.76	3164.66
Total	6588.37	6582.38

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

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

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

2. Credit risk

The credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from financial assets such as trade receivables, other balances with banks, loans and other receivables. The Company has adopted a policy of only dealing with the counterparties that have sufficiently high credit ratings. The exposure and credit ratings of the counterparties are continuously monitored, and aggregate value of transactions is reasonably spread amongst the counterparties. There are no cases of historical defaults and hence no provision for expected credit loss is necessary.

3. Liquidity risk

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

11. Borrowings and Borrowing Cost

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

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

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

12. Provision and contingencies

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

13. Cash and cash equivalents

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

14. Earnings per share

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

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

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

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 –

1. Accounting policy for measurement of investment

The entity is following cost model for recognition & measurement of investment.

2. The investment property is valued and recognised at Cost, therefore no such valuation is carried out by any professional/valuers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)
3. Amounts recognised in the Profit & Loss Account

Rental income from Investment Property	11,83,130
Direct Operating Expenses arising from Investment Property generating rental income	
Municipal Tax/Property Tax	15,870
Flat Maintenance Charges	1,65,440
Direct Operating Expenses arising from Investment Property not generating rental income	NA

4. The existence and amounts of restrictions on the realisability 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: Stright Line Method
 - Useful life of Depreciation : 60 Years
 - Asset Schedule

Property	Opening as on 01.04.2021 [A]	Addition [B]	Deletion [C]	Depreciation for the year [D]	Closing value as on 31.03.2022 E=[A+B-C-D]
FLAT AT BANGALORE -JUNGFRAU BLOCK NO. 306	43,12,879	-	-	81,375	42,31,504
FLAT AT BANGALORE - JULIAN BLOCK NO. 307	43,12,879	-	-	81,375	42,31,504
FLAT AT BANGALORE - ARONIA BLOCK NO. 501	43,12,879	-	-	81,375	42,31,504
FLAT AT BANGALORE - ARONIA BLOCK NO. 307	43,12,879	-	43,12,879	-	-
TOTAL					1,26,94,512

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)**20. Recent Pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

I. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

II. Ind AS 16 – Proceeds before intended use

The amendments specify that the excess of net sale proceeds of items produced while the Company is preparing the asset for its intended use over its cost of testing, if any, shall not be recognized in the profit or loss but shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

III. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

IV. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

V. Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry.

The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

-X-X-X-X-X-



(Rs. in Lakhs)

In Consolidated Financial Statement - additional information

Name of the entity in the Group	Net Asset i.e. total assets minus total		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 consolidated 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	26.10	696.31	26.10	48.95	26.10	-	26.10	48.95
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 2021-22
1. Current Ratio	
current assets	15,957.25
current liabilities	10,284.44
	1.55
2. Debt Equity Ratio	
Total Debts	1,592.41
Shareholders Equity	33,980.15
	0.05
3. Debt Service Coverage Ratio	
Earnings available for debt service	2,548.58
Debt Service	1,197.55
	2.13
4. Return on Equity	
Net Profits after taxes – Preference Dividend (if any)	222.40
Average Shareholder's Equity	33,625.83
	0.01
5. Inventory Turnover Ratio	
Sales	12,291.63
Average Inventory	10,831.65
Average inventory is (Opening + Closing balance / 2)	1.13
6. Trade receivables turnover ratio	
Net Credit Sales	12,291.63
Avg. Accounts Receivable	2,686.71
Average trade debtors = (Opening + Closing balance / 2)	4.57
7. Trade Payables turnover ratio	
Net Credit Purchases	7,347.30
Average Trade Payables	1,885.64
	3.90
8. Net capital turnover ratio	
Net Sales	12,291.63
Working Capital	5,672.81
Working capital shall be calculated as current assets minus current liabilities	2.17
9. Net Profit Ratio	
Net Profit	222.40
Net Sales	12,291.63
	0.02
10. Return on Capital Employed	
Earning before interest and taxes	1,701.83
Capital Employed	37,117.25
Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05
11. Return on Investment	11.80%

(All Amounts in INR lakhs, unless otherwise stated)

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, 2022:

Particulars	Property, Plant and Equipment								Other Intangible Asset			Total	
	Lease-hold im-provements	Building	Plant and equip-ment	Com-put-ers	Office equip-ment	Fur-niture and fix-tures	Vehi-cles	Right to use Assets	Total	Invest-ment Prop-erty	Good-will		Other In-tan-gible as-sets
Gross carrying value as of April 1, 2021	8,070.69	9,102.77	16,265.04	42.40	35.13	115.00	165.58	248.46	34,045.07	198.90			34,243.97
Additions	-	335.82	619.75	6.35	36.47	-	99.78	62.42	1,160.59	-			1,160.59
Deletions	-	-	74.61	-	-	-	2.95	-	77.56	44.76			122.32
Gross carrying value as of March 31, 2022	8,070.69	9,438.59	16,810.18	48.75	71.60	115.00	262.41	310.88	35,128.10	154.14			35,282.24
Accu-mulated deprecia-tion as of April 1, 2021	-	908.23	3,291.37	25.05	12.83	44.91	82.15	116.75	4,481.29	35.34			4,516.63
Deprecia-tion	-	196.47	732.89	9.98	6.64	8.81	18.60	51.23	1,024.61	2.91			1,027.52



Notes forming part of the financial statements (Contd..)

Particulars	Property, Plant and Equipment								Other Intangible Asset			Total		
	Leasehold improvements	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Right to use Assets	Total	Investment Property	Goodwill		Other Intangible Assets	In-tangible assets under development
Accumulated depreciation on deletions	-	16.21	-	-	-	-	0.86	-	17.07	4.34	-	-	-	21.41
Accumulated depreciation as of March 31, 2022	-	1,104.70	4,008.05	35.03	19.47	53.72	99.89	167.98	5,488.83	33.91	-	-	-	5,522.74
Carrying value as of March 31, 2022	8,070.69	8,333.89	12,802.12	13.72	52.13	61.28	162.52	142.90	29,639.26	120.23	-	-	-	29,759.49
Carrying value as of March 31, 2021	8,070.69	8,194.54	12,973.67	17.35	22.30	70.09	83.43	131.71	29,563.78	163.56	-	-	-	29,727.34

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	544.13	-	-	-	544.13
Advance for purchase of Land	-	-	-	62.52	62.52

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

Particulars	As at 31.03.2022			
	Equity Instruments	Govt & Trust Securities	Debenture & Bonds	Total
Investments in				
a) Subsidiaries				
b) Associates	950.09			950.09
c) Joint Ventures				
d) Structured Entities	2.00	0.49	13.00	15.49
Total	952.09	0.49	13.00	965.58
Of Above				
Quoted Investments				
Market Value				
Unquoted Investments	952.09	0.49	13.00	965.58
Impairment				

Other Financial Assets

Bank Deposits with more than 12 month Maturity

5. Other Non Current Assets	As at 31.03.2022
(i) Capital Advances/Prepaid Rent	8.50
(ii) Prepaid Interest - IND AS	4.30
(iii) Advances against purchase of shares	-
(IV) Security Deposits	34.04
	46.84
5. Non-Financial Assets :	
(i) PLA & Cenvet Credit	6.70
(ii) VAT credit receivable	19.66
(iii) Service Tax credit receivable	-
(iv) Income Tax Refund Receivable	212.18
	238.54
	285.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
6. Inventories

	As at 31.03.2022
Raw Materials	4,098.79
Work In Progress	1,916.64
Finished Goods	3,514.75
Stock in Trade	209.24
Stores and Spares	1,474.32
Loose Tools	-
Others	-
Total	11,213.73
Goods in Transit	
Method of Valuations	Weighted Average

7. Trade Receivables

Particulars	As at 31.03. 2022
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
Secured, considered good	-
Unsecured, considered good	582.14
Doubtful	-
	582.14
Less: Provision for doubtful trade receivables	-
	582.14
Other Trade receivables	
Secured, considered good	-
Unsecured, considered good	1,626.62
Doubtful	-
	1,626.62
Less: Provision for doubtful trade receivables	-
	1,626.62
Total	2,208.76

Note: Trade receivables include debts due from:

Particulars	As at 31.03.2022
Private companies in which any director is a director or member	-
RNS Infrastructure Limited	-
Murudeshwar Power Corporation Pvt. Ltd.s	-
Naveen Hotels Ltd	-

Particulars	Outstanding for following periods from due date of payment As at 31.03.2022				
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i) Undisputed Trade Receivables — considered good	1,626.62	561.99	15.59		2,204.20
(ii) Undisputed Trade Receivables — which have significant increase in credit risk		0			-
(iii) Undisputed Trade Receivables — credit impaired		0			-
(iv) Disputed Trade Receivables — considered good			4.56		4.56
(v) Disputed Trade Receivables — which have significant increase in credit risk		0			-
(vi) Disputed Trade Receivables — credit impaired		0			0

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

8. Cash and Cash equivalents	As at 31.03.2022
Balances with bank(of nature cash and Cash Equivalents)	
Earmarked Funds	4.75
Margin Money	222.92
Cheques/Drafts on hand	
Cash on hand	10.77
Others - (Current Account)	366.21
Total	604.65
9 OTHER CURRENT ASSETS	
(i) Capital Advances	-
(ii) Advances other than Capital Advances	
Security Deposits	557.69
Advances to Related Parties	
Other Advances	
Interest Accrued on Deposits	67.91
Total	625.60
(iii) Loans and advances to employees	
Secured, considered good	-
Unsecured, considered good	378.33
Doubtful	-
Total	378.33
iv) Balances with government authorities	
Unsecured, considered good	
(i) GST Credit	88.24
(ii) PLA & Cenvet Credit	
(iii) VAT credit receivable	
(iv) Service Tax credit receivable	
(v) Income Tax Refund Receivable	
Total	88.24
v) Prepaid expenses - Unsecured, considered good	83.07
vi) Others - Advances	
Secured, considered good	
For supply of goods and rendering services	657.14
Advance Payment of Income Tax (Net of provision for Income Tax)	97.73
	754.87
Less: Provision for other doubtful loans and advances	-
Total	754.87
Total	1,930.11

(Rs. in lakhs)

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

10. Statement of changes in Equity

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/Redemption Reserve	IND AS Transition Reserve	
Balance as of March 31, 2021	5,233.91	241.38	13,119.92	277.85	12,795.85	1,615.02	29.64	33,313.57
Changes in equity share capital	261.66	(117.75)	209.33	-	-	0.78	72.67	426.69
Profit for the year				222.40	-	-		222.40
Remeasurement of the net defined benefit liability/asset, net of tax effect				(72.74)	-	-		(72.74)
Transfer to Capital Reserve	(0.78)							(0.78)
Interim Dividend (Including Corporate Dividend Tax)								-
Final Dividends (Including Corporate Dividend Tax)							91.01	-
Changes in Investment in Associated Company								91.01
Balance as of March 31, 2022	5,494.79	123.63	13,329.25	427.51	12,795.85	1706.81	102.31	33980.15

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

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	54972728	5,497.27
subscribed and fully paid	54947871	5,494.79
subscribed but not fully paid (Shares are forfeited and the amount received are disclosed under Capital reserve)	24857	0.78
(c) par value per Share;		10
(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	52331312	
at the end fully paid up	54947871	
(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	12140466	22.10%
MURUDESHWAR POWER CORPORATION PRIVATE LIMITED	18277283	33.26%
(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;		
• 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;		
(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; 5363948 warrants issued by the Board on 13.01.2021 in terms of approval accorded by the members on 26.12.2020 by postal ballot and out of 5363948 warrants, 2616559 warrants has already converted in equal number of equity shares on 12.02.2022 and balance 2747389 warrants are pending for convertible in the FY 2022-23.		
(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
	24857	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	12140466	22.10		
MURUDESHWAR POWER CORPORATION PVT. LTD.	18277283	33.26	P.Y	% Change during the year
Others	8749486	15.92		
Total	39167235	71.28	69.85	1.44

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

11. Borrowings	As at 31.03.2022
Bonds and Debentures	-
Term Loans	
From Banks	
Secured	1,272.36
Unsecured	-
From Others	320.05
Deposits	
Loans from Related parties	-
Long term maturities of Finance lease obligations	-
Liability component of Compound Finance Instruments	-
Other loans	-
	1,592.41

The Term Loans from Banks are repayable in quarterly instalments. Interest is payable on monthly basis. The Term Loans from Canara 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, State Bank of India, Bank of Baroda, Axis Bank, Punjab National Bank and DBS Bank of India 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 Canara 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 GECL2.0-Extended availed from consortium banks namely Canara Bank, State Bank of India, Bank of Baroda, Punjab National Bank and Axis Bank are secured by second charge created / to be created on the immovable assets of the Company. Loans from Sundaram Finance Limited for specific assets are secure against hypothecation of specific items of assets financed for. Loan from LIC of India is against pledge of Key Man Policy. All the secured and unsecured loans other than public deposits have been further secured by way of Personal Guarantees by Promoter Directors of the Company to the extent applicable.

12. Non-Current Liabilities	As at 31.03.2022
Deferred Tax Liability	
Opening balance as on 01-04-2021	2,221.43
ADD : Provision for the year	157.38
Deferred Payment Liabilities	2,378.81
Less : Deferred Tax Asset- MAT Credit	
Others MAT Credit	
Opening Balance	834.12
Add: Provided for the year	-
Less: Excess Provision Reversed	-
Closing Balance	834.12
Deferred Tax Liability (Net)	1,544.69

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

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

13. Other long-term liabilities	
Particulars	As at 31.03.2022
(a) Trade Payables :	
(i) Acceptances	-
(ii) Other than Acceptances	-
(b) Lease Liabilities	172.66
Total	172.66

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

	As at 31.03.2022
Employee Benefits	-
Others	-
Total	-

14. Trade payables

Particulars	As at 31.03.2022
Trade payables:	
Acceptances	254.54
Other than Acceptances	1,637.51
Total	1,892.05

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	13.41				13.41
(ii) Others	1,878.64				1,878.64
(iii) Disputed dues — MSME	0				0
(iv) Disputed dues - Others	0				0

15. Borrowings

	As at 31.03.2022
Bonds and Debentures	
Loans repayable on demand from Banks:	
From Banks	
Secured	6,511.29
Unsecured	-
Total	6,511.29

The Cash Credit and other working capital facilities from the consortium of Bankers namely, Canara Bank, State Bank of India, Bank of Baroda, DBS Bank India Ltd, Punjab National Bank and Axis Bank are secured by way of hypothecation of Raw materials, Stock in Process, Finished Goods, Book Debts and Goods meant for export on pari-passu basis and further secured by way of first charge 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 Promoter Directors of the Company to the extent applicable.

16. Other Current Liabilities

	As at 31.03.2022
Advances from Customers	375.61
Term Loan Instalments payable within one year	843.38
Deposits - DLR	68.57
Statutory remittances	166.73
(i) Contributions to PF and ESIC, Withholding Taxes, Excise Duty, GST, Service Tax, etc.)	
(ii) Contractually reimbursable expenses	1.34
(iii) Salary & Wages Payable	310.13
(iv) Outstanding Liabilities for Expenses	37.68
(v) Interest accrued on borrowings	-
(vi) Bank Current Account	-
Total	1,803.44

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

17. Provisions		As at 31.03.2022
Employee Benefits		66.13
Current Tax Provision		11.54
Total		77.67
18. Revenue from operations		
Particulars		For the year ended 31.03.2022
(a)	Sale of products	8,224.24
(b)	Sale of services	4,054.22
(c)	Other operating revenues	13.17
		12,291.63
<u>Less:</u>		
(d)	Excise duty	-
Total		12,291.63
(i)	Sale of products comprises	
	<u>Manufactured goods</u>	6,595.36
		-
		-
	Total - Sale of manufactured goods	6,595.36
	<u>Traded goods</u>	1,628.88
	Total - Sale of traded goods	1,628.88
	Total - Sale of products	8,224.24
(ii)	Sale of services comprises	
	Service - Earth Work	4,054.22
	Service - Road Work	-
	Total - Sale of services	4,054.22
(iii)	Other operating revenues comprise:	
	Sale of Scraps	13.17
	Transportation & Loading & Unloading	-
	Total - Other operating revenues	13.17
19. Other income		
Particulars		For the year ended 31.03.2022
(a)	Interest income	19.90
(b)	Dividend income: associates	63.30
(c)	Other non-operating income (net of expenses directly attributable to such income)	58.38
(d)	Subsidy Received	-
Total		141.58
(i)	Interest income comprises:	
	Interest from banks on: deposits	19.90
	Total - Interest Income	19.90
(ii)	Other non-operating income comprises:	
	Other Income	0.70

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

Particulars		For the year ended 31.03.2022
	Insurance Claim Received	5.44
	Profit on sale of fixed assets [net of expenses directly attributable]	40.24
	Prior period items (net) (Refer Note (iii) below)	-
	Miscellaneous income [net of expenses directly attributable]	0.17
	Rent Received	11.83
	Total - Other non-operating income	58.38
(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 31.03.2022
	Opening stock	4,140.29
	Add: Purchases	2,598.02
		6,738.31
	Less: Closing stock	4,098.79
	Cost of material consumed	2,639.52
	Material consumed comprises: Clay	1,538.14
	Glaze & Pigments	817.72
	Packing Material	281.41
	Other items	2.25
	Total	2,639.52

Purchase of traded goods

	Traded goods	1,339.13
	Total	1,339.13

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars		For the year ended 31.03.2022
	<u>Inventories at the end of the year:</u>	
	Finished goods	3,514.75
	Work in progress	1,916.64
	Stock-in-trade	-
		5,431.39
	<u>Inventories at the beginning of the year:</u>	
	Finished goods	2,878.83
	Work-in-progress	1,980.42
	Stock-in-trade	-
		4,859.25
	Net (increase) / decrease	(572.14)

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

22. Employee benefits expense		
	Particulars	For the year ended 31.03.2022
	Salaries and wages	930.08
	Contributions to provident and other funds	43.89
	Staff welfare expenses	481.40
	<i>Defined Benefit Obligation - Gratuity</i>	14.33
	<i>Defined Benefit Obligation - Leave Encashment</i>	22.48
	<i>Other Employee Benefit Expenses</i>	52.19
	Total	1,544.37
23. Finance costs		
	Particulars	For the year ended 31.03.2022
	(a) Interest expense on:	
	(i) Borrowings TL CC	973.39
	(ii) Trade payables FC	186.48
	(iii) Others	
	Interest on Lease Liabilities	14.00
	Int Security deposits	4.04
	Int Income Tax	-
	(b) Other borrowing costs	151.85
	Total	1,329.75
24. Other expenses		
	Particulars	For the year ended 31.03.2022
	Consumption of stores and spare parts	337.70
	Consumption of loose tools	-
	Consumption of packing materials	-
	Increase / (decrease) of excise duty on inventory	-
	Subcontracting	24.64
	Power and fuel	2,720.19
	Rent	29.39
	Repairs and maintenance - Buildings	7.11
	Repairs and maintenance - Machinery	17.77
	Repairs and maintenance - Others	90.37
	Insurance	95.08
	Rates and taxes	286.76
	Communication	17.75
	Travelling and conveyance	279.01
	Printing and stationery	17.94
	Freight and forwarding	489.63
	Sales commission	12.75
	Sales discount	115.84
	Export Expenses	49.38

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

	Particulars	For the year ended 31.03.2022
	Business promotion	9.52
	Donations and contributions	0.12
	Legal and professional	39.71
	Payments to auditors	6.00
	Directors Sitting Fees	7.70
	Advertisement & Publicity	1.64
	Sales Promotion Expenses	1.33
	Selling & Distr.expenses-Others	35.43
	Security Charges	17.23
	CSR payments	5.70
	Loss on fixed assets sold / scrapped	16.85
	Miscellaneous expenses	20.46
	Total	4,752.98
	(i) Payments to the auditors comprises	
	As auditors - statutory audit	3.00
	For taxation matters	0.50
	For management services	0.50
	Reimbursement of expenses	2.00
	Total	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. 36,67,795 (Year ended 31st March, 2021 Rs. 34,52,196) for Provident Fund contributions and Rs. 17,75,661 (Year ended 31st March, 2021 Rs. 17,61,329) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of schemes.
25.1.b	DEFINED BENEFIT PLANS The Company offers the following employee benefit schemes to its employees : i. Gratuity : The following tables sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements :

	Particulars	Year ended 31.03.2022
		Gratuity
A	Change in Defined Benefit Obligations (DBO) during the year	
	Defined Benefit Obligation at the beginning of the year	327.61
	Current service cost	16.28
	Interest Expense	22.61
	Benefit Payment from Plan Assets	-
	Remeasurement - Due to Financial Assumptions	(2.16)
	Remeasurement - Due to Experience Adjustments	(76.78)
	Present value of DBO at the end of the year	287.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 25 Additional information to the financial statements (Contd...)

	Particulars	Year ended 31.03.2022
		Gratuity
B	Change in Fair Value of Plan Assets during the year:	
	Fair Value of Plan Assets at the beginning of the year	354.89
	Interest Income	24.56
	Actual company contributions	2.00
	Employers Contribution	(3.10)
	Benefit Payments from Plan Assets	-
	Plan assets at the end of the year	378.34
	Actual return on plan assets	16.28
C	Components of Defined Benefit Cost	
	Current service cost	16.28
	Interest Expenses on DBO	22.61
	Interest (Income) on Plan Assets	(24.56)
	Total Net Interest Cost	(1.95)
	Defined Benefit Cost included in P & L	14.33
	Remeasurement - Due to Financial Assumptions	(2.16)
	Remeasurement - Due to Experience Adjustments	(76.78)
	(Return) on Plan Assets (Excluding Interest Income)	3.10
	Total Remeasurements in OCI	(75.83)
	Total Defined Benefit Cost recognised in P & L and OCI	(61.50)
D	Amount Recognised in the Statement of Financial Position	
	Defined Benefit Obligation	287.56
	Fair Value of Plan Assets	378.34
	Fund Status	(90.78)
	Effect of Assets Ceiling/Onerous Liability	-
	Net Defined Benefit Liability / (Assets)	(90.78)
E	Net Defined Benefit Liability / (Assets) Reconciliation	
	Net Defined Benefit Liability/(Assets) at Beginning of the year	(27.28)
	Defined Benefit Cost included in P & L	14.33
	Total Remeasurements included in OCI	(75.83)
	Employers Contributions	(2.00)
	Net Defined Benefit Liability/(Assets) at end of the year	(90.78)
	Weighted Average Asset Allocations at the year end	
	Government Bonds	-
	PSU bonds	-
	Equity Mutual funds	-
	Insurance Policies	100%
	Actuarial assumptions	
	Discount rate	7.10%
	Salary escalation	6.00%

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

26. Additional information to the financial statements		
	Particulars	
26.1	Contingent liabilities and commitments (to the extent not provided for)	As at 31.03.2022
(i)	Contingent liabilities	
	(a) Claims against the Company not acknowledged as debt (give details)	-
	(b) Guarantees	269.93
	(c) Letters of Credit established with Banks	1,752.85
(ii)	Commitments	-
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	175.65
		175.65
26.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006	
	Particulars	As at 31.03.2022
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	13.41
	(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	
	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 31.03.2022
	Murudeshwar Power Corporation Pvt. Ltd.	Associates
		297.88
	RNS Powers Ltd.	Associates
		610.15
	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	
	As at 31 March, 2022	
	Payable	Payable in Foreign currency
	(Rs. in lakhs)	(indicate amount with currency)
	315.93	US\$ 410,830
	Particulars	
26.4	Value of imports calculated on CIF basis:	For the year ended 31.03.2022
	Raw materials	-
	Components	44.70
	Spare parts	39.40
	Total Components and spare parts	84.10
	Capital goods	0.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 26 Disclosures under Accounting Standards (contd..)

26.5 Expenditure in foreign currency :		For the year ended 31.03.2022	
	Travel	-	
26.6 Details of consumption of imported and indigenous items		For the year ended 31 March, 2022	
		(Rs. in lakhs)	%
<u>Imported</u>			
	Raw materials	5.44	5.85
	Components	52.01	55.91
	Spare parts	35.57	38.24
Total		93.02	100.00
<u>Indigenous</u>			
	Raw materials	2,634.09	91.33
	Components	51.17	1.77
	Spare parts	198.94	6.90
Total		2,884.20	100.00

27. Disclosures under Accounting Standards

For the year ended 31 st March, 2022			
27.1	Segment information		
	<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	8,237.41	4,054.22
	Inter-segment revenue		-
	Total	8,237.41	4,054.22
	Less: Central Excise	-	-
	Net Revenue	8,237.41	4,054.22
	Segment result	122.15	169.36
	Unallocable expenses (net)		-
	Operating income		-
	Other income (net)		80.57
	Profit before taxes		372.08
	Tax expense		157.38
	Net profit for the year		214.70
	Particulars	Sale of Product	Sales of Services
27.2	Segment assets	42,077.29	1,826.50
	Unallocable assets	-	-
	Total assets	42,077.29	1,826.50
	Segment liabilities	10,829.38	1,258.93
	Unallocable liabilities	-	-
			35,443.98

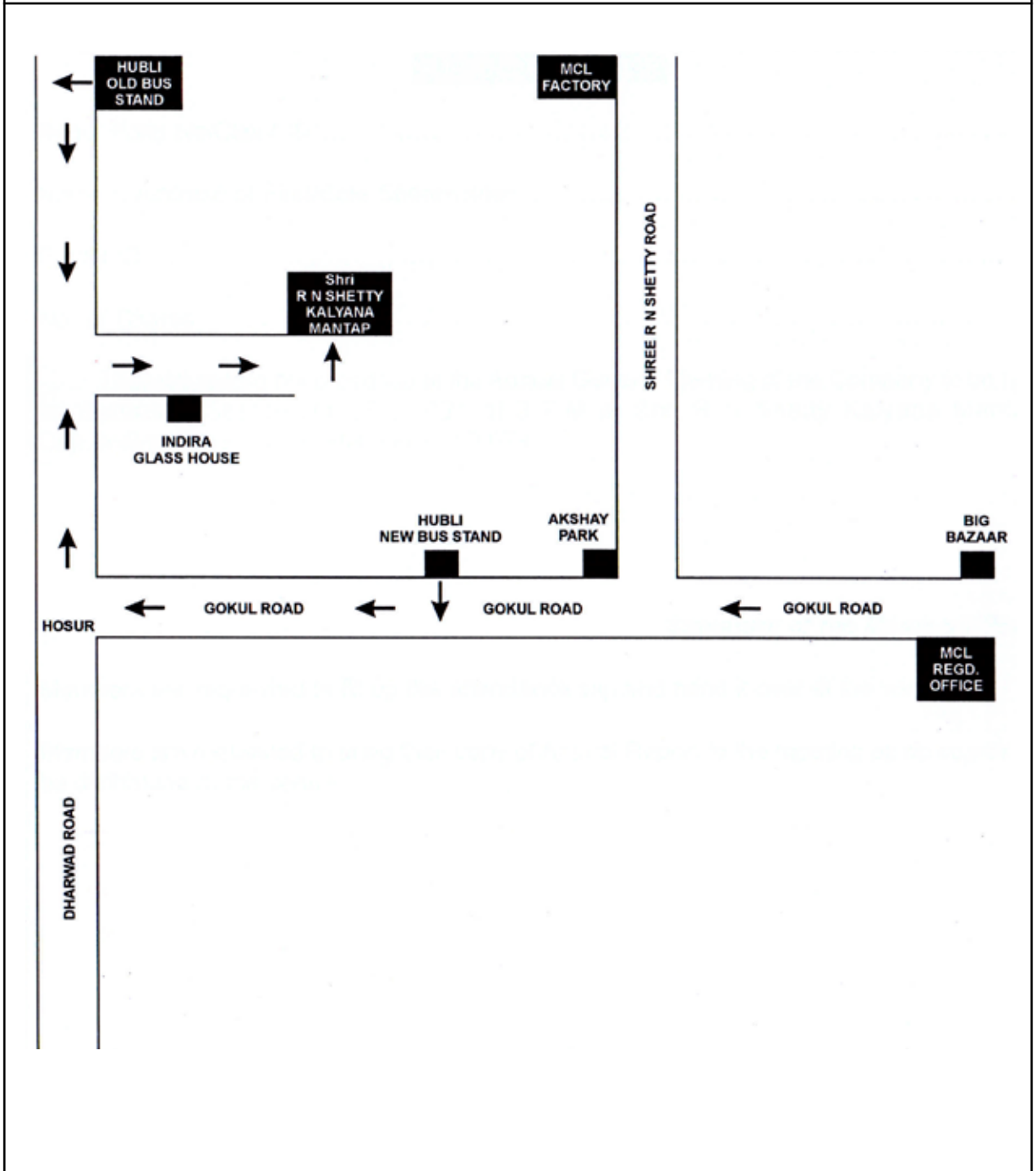
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)
(Rs. in lakhs)
Note 27 Disclosures under Accounting Standards (contd..)

	Particulars	Sale of Product	Sales of Services	Total
	Total liabilities	10,829.38	1,258.93	47,532.29
	<u>Other Information</u>			
	Capital expenditure (allocable)	31,247.91	567.57	31,815.48
	Capital expenditure (unallocable)			
	Depreciation and amortisation (allocable)	917.88	109.64	1,027.52
	Particulars			
27.3	Related party transactions			
	Details of related parties:			
	Description of relationship			
	Associates	M/s. RNS Infrastructure Ltd M/s. Murudeshwar Power Corp. Ltd M/s. Naveen Hotels Ltd RNS Motors 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	Satish R Shetty, Sunil R Shetty and Naveen R Shetty are sons of Dr. R N Shetty Sudha R Shetty, wife of Dr. R N 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 theyear ended 31st March, 2022 and balances outstanding as at 31st March, 2022:			
		Associates	Total	
	Purchase of goods	174.13	174.13	
	Sale of goods	179.75	179.75	
	Sale of fixed assets	-	-	
	Purchase of Fixed Assets	115.50	115.50	
	Rendering of services			
	RNS Infrastructure Ltd	4,459.64	4,459.64	
	Investment in Shares	-	-	
	Receiving of services	2.07	2.07	
	Dividend Received	63.30	63.30	
	Issues of Equity	353.24	353.24	
	<u>Balances outstanding at the end of the year</u>			
	Trade receivables	196.14	196.14	
	Trade payables	174.60	174.60	

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

28. Disclosures under Accounting Standards		
	Particulars	For the year ended 31.03.2022
28.1	Earnings per share	
	<u>Basic</u>	
28.1.a	<u>Continuing operations</u>	
	Net profit / (loss) for the year from continuing operations	222.40
	Less: Preference dividend and tax thereon	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	222.40
	Weighted average number of equity shares	5,49,47,871
	Par value per share	10
	Earnings per share from continuing operations - Basic	0.49
28.2	Income Tax Expenses in Profit & Loss Account	
	Consist of following:	
	Current Tax	(19.90)
	Prior Period Tax	-
	Deferred Tax	157.38
	MAT Credit Entitlement	-
	Total Tax Expenses	137.48
	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:	372.08
	Applicable rate	27.82%
	Computed tax charges	(19.90)
	Less : Tax effected due to difference in tax rates	-
	Less : Reversal of Excess provision for previous year	
	Add: (Increase) / Decrease in Deferred tax liability	157.38
	Less : Increase / (Decrease) in Deferred Tax Asset	
	Less: Mat credit entitlement	-
	Total Tax Expenses	137.48
	Less : Total Expenses as per P & L	137.48
	Balance	Nil

SHRI R N SHETTY KALYANA MANTAP - AGM LOCATION





MURUDESHWAR CERAMICS LIMITED

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

CIN:L26914KA1983PLC005401

39th 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 Thursday, September 22nd, 2022 at 3 P.M at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi - 580 029.

Signature of the Member / Proxy

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

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

MURUDESHWAR CERAMICS LIMITED

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

CIN: L26914KA1983PLC005401

39th ANNUAL GENERAL MEETING

PROXY FORM

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

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

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

- 1) Name..... Address.....
E-mail ID..... Signature.....or failing him/her
- 2) Name..... Address.....
E-mail ID..... Signature.....or failing him/her
- 3) Name..... Address.....
E-mail ID..... Signature.....or failing him/her
- 4) Name..... Address.....
E-mail ID..... Signature.....

As my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 39th Annual General Meeting of the Company to be held on Thursday, September 22, 2022 at 3 P.M at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubballi - 580 029 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No.	RESOLUTIONS	Optional*	
		For	Against
1	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon:		
2	To appoint a director in place of Shri Satish Rama Shetty (DIN 00037526), who retires by rotation and being eligible, offers himself for reappointment		
	SPECIAL BUSINESS:		
3	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		
4	Approval under Section 180(1) of the companies Act, 2013 and rules made thereunder		
5	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.		
6	Approval under section 185 of the companies Act, 2013 and rules made thereunder		

Signed this day of2022

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

Affix Re. 1/-
Revenue
Stamp

Notes :

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

**MURUDESHWAR
CERAMICS LTD.**

*Murudeshwar Bhavan, Gokul Road, Hubballi - 580 030.
Phone : 0836 - 2331615 / 18*

