

CIN No. : L26914KA1983PLC005401

Naveen Complex, 7th Floor, 14, M.G. Road, Bengaluru - 560 001 INDIA

Phone : 080 - 42897000 25584181 Fax : 080 - 25584017 e-mail : mclblore@naveentile.com

MCL: SEC: 2019

MAY 16, 2019

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

Dear Sir/ Madam,

Sub.: Voluntarily Re-filing of Annual Report of the Company of the Financial Year 2017-18.

In continuation of our letter dated October 03, 2018 in respect of Annual Report filed with Stock Exchange, as certain pages of already filed Annual Report for the financial year 2017-2018 is not visible on the website of Stock Exchange due to technical faults. Therefore, we are hereby enclosing once again the same.

Further, we would like to clarify that we had already uploaded the entire Annual Report with the Stock Exchange on October 03, 2018 but may be due to some technical errors full set of Annual Report is not visible on the website of the Stock Exchange and now, since we have observed the same, we are hereby voluntarily filing the full set of Annual Report once again to be recorded.

You are requested to take the above in your records and kindly display the full set of the same on your website.

Thanking you.

Yours faithfully.

For MURUDESHWAR CERAMICS LIMITED



**ASHOK KUMAR
COMPANY SECRETARY
& COMPLIANCE OFFICER**



Encl.: As Above

An ISO 9001-2008 Certified Company

CIN No. : L26914KA1983PLC005401

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Phone : 080 - 42897000 25584181 Fax : 080 - 25584017 e-mail : mclblore@naveentile.com

MCL: SEC: 2018-19

OCTOBER 03, 2018

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

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

Dear Sir/ Madam,

Sub.: Annual Report for the Financial Year 2017-18 of the Company.

This is With reference to the above captioned subject, we hereby have enclosed the Annual Report for the Financial Year ended 31st March, 2018 which has been considered and adopted by the members at the 35th Annual General Meeting of the Company held on 28th September, 2018 at 4:00 P.M. at R N Shetty Kalyan Mantap, Near Indira Glass House, Hubballi -580029, Karnataka.

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

Thanking you.

Yours faithfully.

For MURUDESHWAR CERAMICS LIMITED


ASHOK KUMAR

CS & COMPLIANCE OFFICER



Encl.: As Above

An ISO 9001-2008 Certified Company

BOARD OF DIRECTORS

Dr. R N SHETTY
Chairman

Dr. S.S. HIREMATH

Shri ANNAPPAYYA K

Shri SANKAPPA K SHETTY

Smt. SARVANI ALVA

Shri SUNIL R SHETTY

Shri NAVEEN R SHETTY

Shri SATISH R SHETTY
Managing Director & C.E.O.

Company Secretary & Compliance Officer

Shri ASHOK KUMAR

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

Shri N M HEGDE

Auditors

M/s. K A RAGHUPATHY & CO.
Chartered Accountants
Bengaluru

Bankers

CANARA BANK

STATE BANK OF INDIA

BANK OF BARODA

THE LAKSHMI VILAS BANK LTD

AXIS BANK LTD

ORIENTAL BANK OF COMMERCE

I N D E X

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Registered Office

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

Plant

Krishnapur Village
HUBLI - 580 024
Ph : 0836-2206741
Fax : 0836-2206773

Kallabalu Village & Post
Via Bannerghatta
Jigani Industrial Area II Phase
BENGALURU - 560 083
Ph : 080-27826946
Fax : 080-27826956

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

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

NOTICE

To,
The Members, Murudeshwar Ceramics Limited

NOTICE is hereby given that the 35th (Thirty Fifth) Annual General Meeting of the Members of Murudeshwar Ceramics Limited will be held at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubli – 580 029 on Friday 28th day of September, 2018 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Balance Sheet of the Company as at 31st day of March, 2018 and the Profit and Loss Account for the year ended on the said date and the Cash Flow Statement together with Directors' Report, Auditors' Report and notes thereon.
2. To appoint a Director in place of Shri Sunil Rama Shetty (DIN 00037572), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of M/s. K.A. Raghupathy & Co., (Firm Registration No.011573S) Chartered Accountants, Bengaluru, as the Statutory Auditors of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 22nd September, 2017, the appointment of M/s. K.A.Raghupathy & Co., (Firm Registration No.011573S) having office at No. 81, "SRI GURUKRUPA", 2nd Main, 3rd A Cross, Nanjappa Layout, Vidyanarayapura, Bengaluru – 560 097, as the Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31st 2019, as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS

4. **To Regularisation of Additional Director, Mr. Karan Satish Shetty, by appointing him as Director (Executive Director) of the Company :**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013 ("Act"), Articles of Association of the Company and other applicable laws, Mr. Karan Satish Shetty (DIN: 0008168200), who was appointed as an Additional Director on the Board of Directors ('Board') of the Company with effect from 10th August, 2018, in terms of Section 161 (1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director (Executive) of the Company whose period of office shall not be liable to retirement by rotation.

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution."

5. **To appoint and fix remuneration of Mr. Karan Satish Shetty (DIN: 0008168200) as the Whole Time Director of the Company:**

"RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of members be and is hereby accorded to the appointment of Mr. Karan Satish Shetty (DIN: 0008168200), as the Whole Time Director of the Company with effect from 10th August, 2018 for a period of five years, at a remuneration and on the terms and conditions of appointment as contained in the explanatory statement to this resolution, with authority to the Board of Directors and the Nomination and Remuneration Committee to alter and vary the remuneration as it may deem fit, within the limits specified in Section 197 read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution."

Place : Bengaluru
Date : August 10, 2018

By Order of the Board
For Murudeshwar Ceramics Limited
ASHOK KUMAR
Company Secretary

NOTICE (Contd.)

NOTE:

- (1) Any Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on behalf of such member at such meeting and such a proxy need not be a member. Proxy in order to be effective must be received at the Company's Regd. Office not less than 48 hours before the meeting.
- (2) 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 authorising such person to sign such document and/or to represent such Institution, Bank, Body Corporate etc., as the case may be.
- (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) Brief resume of directors propose to be appointed/reappointed is furnished in the Corporate Governance Report forming part of this Annual Report.
- (5) Register of Members/Transfer books of the Company will be closed from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive).
- (6) Members seeking any information/clarification concerning the Accounts for the year 2017-18 are requested to send their specific request addressed to the Company Secretary at the Registered Office of the Company at least seven days before the Annual General Meeting.
- (7) Members are requested to bring their copies of Annual Reports to the meeting and also to handover their attendance slips signed by the members/valid proxies at the entrance of the meeting hall.
- (8) Please also refer "General Information to Shareholders" in the annexure to Corporate Governance Report forming part of this Annual Report.
- (9) 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.
- (10) Please refer last page of Annual Report for AGM Location Map.

The instructions for e-voting are as under:

A. In case a Member receives an e-mail (for Members whose e-mail addresses are registered with the Company/ Depositories) :

- (a) Open the e-mail and also open PDF file namely "Remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (b) Open the internet browser and type the following URL:<https://www.evoting.nsdl.com>.
- (c) Click on Shareholder – Login.
- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- (e) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- (f) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

NOTICE (Contd.)

- (g) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- (h) Select "EVEN" (E-Voting Event Number) of Murudeshwar Ceramics Limited. Now you are ready for E-voting as Cast Vote page opens.
- (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (k) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- (l) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sunil_j_shah@yahoo.com and investor@naveentile.com with a copy marked to evoting@nsdl.co.in
- (m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the downloads section of www.evoting.nsdl.com

B. In case of Member receives physical copy of Notice of AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):

- (a) Initial password is provided in the enclosed Annual Report and Notice : EVEN (E-Voting Event Number), user ID and password/Pin.
- (b) Please follow all steps from Sl. No. A(b) to Sl. No. A(m) above, to cast vote.

C. Other Instructions:

- (a) The e-voting period commences on September 25, 2018 (9.00 a.m. IST) and ends on September 27, 2018 (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 21, 2018 (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.
- (b) A member may participate in the AGM even after exercising his right to vote through remote e-voting but all not be allowed to vote again in the AGM.
- (c) 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 21, 2018 (Cutoff date {record date}).
- (d) Mr. Sunil J. Shah, Practicing Company Secretary (Membership No. ACS: 8717), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) 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 witness not in employment of the company and shall not make later than three days of the conclusion of AGM, a consolidated scrutinizer 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.
- (f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.naveentiles.co.in and on the website of NSDL immediately after the declaration of the results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock exchanges.

NOTICE (Contd.)

Explanatory statement UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 :

ITEM No.4 : To Regularisation of Additional Director, Mr. Karan Satish Shetty, by appointing him as Director (Executive) of the Company:

- i) Mr. Karan Satish Shetty (DIN : 0008168200), on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director with effect from August 10, 2018 by the Board in accordance with the Article 19 of the Articles of Association of the company and Section 161 of the Companies Act 2013 ("the Act"). As per Section 161 of the Act, Mr. Karan Satish Shetty holds office up to the date of the ensuing AGM. Mr. Karan Satish Shetty has consented to the proposed appointment and declared qualified. Mr. Karan Satish Shetty will be entitled for remuneration as per the company policy for executive directors. Mr. Karan Satish Shetty possesses requisite knowledge, experience and skill for the position of Executive Director.

Except Mr. Karan Satish Shetty and Mr. Satish Rama Shetty, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution.

The Board of Directors recommend passing of the resolution set out in Item No. 4 of this Notice.

Brief profile of Mr. Karan Satish Shetty

DIN	0008168200
Date of Birth	May 12, 1993
Age	25 Years
Date of first appointment on the Board	10th August, 2018
Qualifications	Bachelors in Mechanical Engineering from P.E.S. Institute of Technology, Bangalore and Masters in International Management Studies from the University of Texas at Dallas
Expertise in specific functional areas	Management and Administration function
Details of remuneration last drawn	NIL
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	NIL
Membership of Committees/ Chairmanship in other Public Limited Companies	NIL
No. of Board meetings attended during the year	NIL
No. of shares held: (a) Own (b) For other persons on a beneficial basis	9800 Equity Shares

ITEM No. 5 : To appoint and fix remuneration of Mr. Karan Satish Shetty (DIN: 0008168200) as the Whole Time Director of the Company and Terms and Conditions of appointment:

- i) The Board is of the view that the appointment of Mr. Karan Satish Shetty on the Company's Board as the Whole Time Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 5 for approval by the members of the Company.
- ii) Mr. Karan Satish Shetty was appointed Additional Director (Executive) at the meeting of the Board held on August 10, 2018. The tenure of his appointment is for the period of five years.

The terms of appointment and remuneration for Mr. Karan Satish Shetty, as determined by the Nomination & Remuneration Committee of the Board and approved by the Board of Directors at the Board Meeting held on August 10, 2018 as set out below.

NOTICE (Contd.)

- iii) The Whole Time Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other Executive Body or any Committee of such a company.
- iv) The Whole Time Director undertakes to employ the best of his skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

v) Remuneration:

- a. Consolidated Salary : ₹2,00,000/- (Rupees Two Lakhs only) per month;
- b. One month basic salary per annum towards Medical Reimbursement;
- vi) None of the Directors/Key Managerial Personnel of the Company/their relatives, except Shri Satish Rama Shetty and Mr. Karan Satish Shetty himself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

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

I. 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.

(2) Incorporation Details

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

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

(4) Financial Performance

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

Particulars	2017-18	2016-17	2015-16
Turnover	11,938.86	10,524.53	11,502.23
Profit /(Loss) Before Tax	510.09	246.56	169.28
Profit /(Loss) After Tax	508.96	135.00	157.03
Dividend (%)	Nil	Nil	Nil

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

Place : Bengaluru
Date : August 10, 2018

By Order of the Board
For Murudeshwar Ceramics Limited
ASHOK KUMAR
Company Secretary

DIRECTORS' REPORT

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

Your Directors have pleasure in presenting their 35th (Thirty Fifth) Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2018.

FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

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

(₹ In lakhs)		
Particulars	2018	2017
Sales Income	11,938.86	10,524.53
Other Income	123.26	94.16
Total Income	12,062.12	10,618.69
Operational Expenditure	9,295.92	8,189.37
Increase/(Decrease) in stock	(517.57)	(295.44)
Finance Costs	1,871.00	1,685.30
Depreciation and amortization Expenses	902.68	792.90
Total Expenditure	11,552.03	10,372.13
Profit / (Loss) for the year	510.09	246.56
Tax Expense :		
Current Tax	107.51	66.25
Prior period Tax	-	-
Deferred Tax	9.37	114.86
Less MAT Credit Entitlement	(99.00)	(66.25)
Total Tax Expenses	17.88	114.86
Profit / (Loss) after tax	492.21	131.70
Other Comprehensive Income :		
a. Items that will not be reclassified to profit or loss	24.24	4.78
b. Income Tax relating to items that will not be reclassified to Profit or loss	(7.49)	(1.48)
Profit available for appropriation	508.96	135.00

OPERATIONAL PERFORMANCE

During the year under report the Company has produced 17,48,706 Sq.mtrs., of Vitrified tiles and has not produced any Ceramic tiles. Whereas compared to previous year production of Vitrified tiles is increased by 11.42% The sales income from Vitrified tiles has increased by 9.84% at ₹7,189.91 lakhs compared to ₹6,546.01 lacs of the previous year. Sales income from Ceramic tile segment including Gujarat Wall tiles segment has decreased by 26.44% at ₹500.29 lakhs compared to ₹680.12 lakhs of the previous year. The Granite division did not produce any slabs during the year due to non-availability of quality blocks.

In spite of the above increase and decrease in sales of the products, the Company has managed to earn a profit of ₹508.96 lakhs (Previous year ₹135.00 lakhs) which leads to an increase of 277% as compared to previous year 2016-17.

DIVIDEND

Despite of good profit, your Directors intent to reduce the finance cost as early as possible. Your Directors have decided to skip the dividend for the financial year 2017-18. Your directors are working towards achieving higher results during the forth coming years.

DIRECTORS' REPORT (Contd.)

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR / STATE OF COMPANY'S AFFAIR PROSPECTS

During the year under review, there are no any material changes and commitments affecting the financial position of the Company and also no change in the nature of business of the Company. Rising awareness towards personal hygiene along with massive schemes launched by the Government of India, the industry is expecting a positive growth in the near future. India's domestic consumer market, increase in working-age population and urbanization is envisaged to augur well for the aesthetically and technically superior high-end Ceramic tiles in the urban segment than in the past. All the Vitrified and Ceramic Tiles are value-added products in the urban areas. There is increasing penetration of Ceramic tile as a preferred option in rural areas. Our Company has started producing the Vitrified tiles of double and multi charge tiles in its new unit and our Karaikal unit is functioning with improved gas allocation. The new unit at Sira Taluk, Tumkur District may fetch better market for quality products. The Company is expecting a better growth in the near future.

MARKETING STRATEGY

The Company continues the strategy of both project and retail marketing. The company is continuously penetrating new markets and developing new products. The company primarily focuses on local market where it can gain and the company has opened various showrooms. The Showroom sales is yielding satisfactory return in major urban and rural areas. The places where showrooms are not feasible the Company has expanded the dealership network. Depots located at various parts of the Country are providing quick services to the customers. The Company is focusing on Brand building according advertisements are given on regular basis to increase the sales. The incentive based payment to the marketing staff are fetching better returns to the company. Advertisements in newspapers and on hoardings are given on regular basis. Your Directors are hopeful of achieving better results in the year 2018-19.

RESEARCH AND DEVELOPMENT

Active team of ceramist to challenge customer demand & device cost effective input recipe solutions, The R & D wing of the Company is always trying to give new look and design of company's products and has successfully developed new varieties of tiles with improved body matrix, quality and cost effective product range. Efforts to upgrade variety, body matrix, shades and designs to suit market sentiments is being consistently pursued. R&D wing is also exploring ways and means to improve operating efficiency.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company does not have any Subsidiary Joint ventures and associate Companies

RESERVES

The net movement in the major reserves of the Company for FY18 and the previous year are as follows :

Particulars	₹ In lakhs)	
	FY18	FY17
Capital Reserve	15.02	15.02
Capital Redemption reserve	1,600.00	1,600.00
Securities premium account	12,194.23	11,676.73
General Reserve	12,795.85	12,795.85
Profit and Loss Account	2,457.11	2,052.51

CHANGE IN THE NATURE OF BUSINESS, IF ANY

No Change in the nature of the business of the Company done during the year.

RISK MANAGEMENT

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

DIRECTORS' REPORT (Contd.)

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 149 of the Companies Act, 2013 the Members, at their meeting held on 27th September 2014, appointed the following as an Independent Directors of the Company :

- Dr. S S Hiremath
- Shri Annappayya K
- Shri Sankappa Keremane Shetty
- Smt Sarvani Alva

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, Managing Director
- Shri N M Hegde, Chief Financial Officer
- Shri Lakshmisha Babu S, Company Secretary

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI (LODR) Regulation 2015.

EVALUATION OF THE BOARD'S PERFORMANCE

Your Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Director. Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Board and the Nomination and Remuneration Committee have carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committee. Each Board member 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 and peer group evaluation. 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.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended hereto and forms part of this Report as Annexure-1. The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. None of the Company's employees were covered by the disclosure requirement. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Five Board Meetings were held during the year. For further details, please refer Report on Corporate Governance.

COMMITTEES OF THE BOARD

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

- Audit Committee of Directors
- Nomination and Remuneration Committee
- Stakeholders Grievance Committee
- Executive Committee of the Board

DIRECTORS' REPORT (Contd.)

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

The familiarization programs for Independent Directors were conducted by the Practicing Chartered Accountant Mr. B.C.Shetty and other Company's professionals during the year.

The Board has laid down separate Code of Conduct for Non-Executive Directors and Senior Management personnel of the Company and the same are posted on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same. The certification is enclosed at the end of the Report on Corporate Governance.

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

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

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

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and 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 policy's are available on the company website www.naveentiles.co.in

RELATED PARTY TRANSACTIONS

All related party transactions, that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The Company present a statement of all related party transactions before the Audit Committee. Prior approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive nature. Further, there are no significant related party transactions during the year under review made by the Company with promoters, Directors, Key Managerial Personnel or designated persons which may have a potential conflict with the interest of the Company at a large. The details of which is given as AOC-2 in Annexure-3.

DEPOSITS

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

LOANS, SECURITIES OR INVESTMENTS

During the year under report the Company has not provided any Loans, guarantees and securities under Section 186 of the Companies Act, 2013. The details of investments are provided in the schedules to the financial statements.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is appended hereto and forms part of this Report as Annexure-4.

STATUTORY AUDITORS

The present auditors M/s. K. A. Raghupathy & Co., Chartered Accountants (ICAI Registration No.011573S), No. 81, "SRI GURUKRUPA", 2nd Main, 3rd A Cross, Nanjappa Layout, Vidyananyapura, Bengaluru – 560 097, is holding office as the Statutory Auditors of the Company.

DIRECTORS' REPORT (Contd.)

AUDITOR'S REPORT

No qualification, adverse remarks or disclaimer have been made by the Statutory Auditors with regard to the financial statements for the financial year 2017-18. The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

INDIAN ACCOUNTING STANDARDS

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, your Company has adopted "Ind AS" with effect from April 01, 2017. The implementation of Ind AS is a major change process for which the Company had dedicated considerable resources. The impact of the Change on adoption of Ind AS has been assessed and the Company has adopted Ind AS from the financial year 2017-18.

SECRETARIAL AUDIT REPORT

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Hemanth & Co., Practicing Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report is appended hereto and forms part of this Report as Annexure-5.

CORPORATE GOVERNANCE

Pursuant to relevant regulations of SEBI (LODR) Regulations 2015 and relevant sections of the Companies Act, 2013, a Management Discussion and Analysis Statement, 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 (LODR) Regulation, 2015 from the period 01.04.2017 to 31.03.2018 is annexed with the report.

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 line with the Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations cannot be undermined. Pursuant to Section 177(9) of the Companies Act, 2013, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROL

Pursuant to Sec.134 (5)(c) your Company has proper and adequate system of internal controls. All transactions are authorized, recorded and reported correctly. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial control. The ERP system which the company has implemented has helped in further strengthening the Internal Financial Control.

FAMILIRISATION PROGRAM

With a view to familiarize the Independent Directors with the company's operations, as required under listing regulation 25(7) the company has held various programmes ongoing basis which inter alia includes various presentation by practicing professionals, business heads and KMPs of the Company.

DIRECTORS' REPORT (Contd.)

SHARE CAPITAL

During the year the Company has allotted 22,50,000 Equity Shares to Promoter/Promoter Group Company Murdeshwar Power Corporation Limited, hence the Paid up Equity Share Capital of the Company increased from ₹4,296.17 lakhs to ₹4,521.17 lakhs.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the 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 2017-18.

Accordingly, pursuant to 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.

ACKNOWLEDGEMENTS

Your Directors acknowledge with appreciation, the support and co-operation extended to the Company by the Central Government, Government of Karnataka, Bankers, Financial Institutions, Dealers, Members and employees of the Company. Your Directors also wish to place on record their appreciation for the co-operation extended by M/s. SACMI, Italy and M/s. BRETON, Italy.

Place : Bengaluru
Date : August 10, 2018

for and on behalf of the Board of Directors
Dr. R. N. SHETTY
Chairman
(DIN 00038810)

ANNEXURE - 1

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

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

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Shri Satish Rama Shetty	33.11

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	136.22
Shri N.M. Hegde	0.00%
Shri Lakshmisha Babu S.	0.00%

- c) The percentage increase in the median remuneration of employees in the financial year : 7.97%
d) The number of permanent employees on the rolls of the company : 300
e) The explanation on the relationship between average increase in remuneration and company performance

SI.No.	Particulars	Explanation
1.	Increase in median remuneration of employees has been : 1.25%	Increase in remuneration has been made to retain talented employees. The remuneration was paid to employees on par with other similar Industry.
2.	Company performance of PAT is ₹508.96 lakhs (2017-18) to ₹135.00 lakhs (2016-17)	

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

SI.No.	Particulars of remuneration for Key Managerial Personnel	Percentage of Standalone Operating Profit
1.	Shri Satish Rama Shetty	14.12%
2.	Shri N.M. Hegde	2.93%
3.	Shri Lakshmisha Babu S.	2.45%

- g) Market and financial performance related information:

Particulars	March 31, 2018	March 31, 2017	% Change
Market Capitalization (₹ lakhs)	14,352.25	18,727.91	23.36
P/E Ratio	28.10	77.85	63.90

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

ANNEXURE - 2

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. CONSERVATION OF ENERGY

(a) Lab tests are being conducted to reduce shrinkage and increase production thereby reducing wastage of heat and conserving power.

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

1 No. Toshiba Nitsubishi, Make 1 x 400 KVA UPS is being installed for uninterrupted supply to the Kiln. Total cost would be ₹32.15 lakhs. This will reduce the consumption of energy.

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

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

B. TECHNOLOGY ABSORPTION :

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

FORM B

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

- a. New ball clay raw material processed to remove the inbuilt impurities
- b. Reduction in imported ball clay consumption

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

- a. Better sales realization on the finished product
- b. Better utilization of plant and machinery.

3. Future plan of action

- a) Procurement of new digital printer to produce larger sizes of tiles at Sira Plant.
- b) 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 adaption of Ball clay processing plant & feldspar processing plant to remove the inbuilt impurities to enhance the brightness of Vitrified tile production.

2. Benefits derived as a result of above efforts : Reduction in the power cost, raw material cost, transport cost & improves 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 : Nil
 - Foreign Exchange Outgo : Nil

ANNEXURE - 3

FORM NO. AOC-2

**[PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT
AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014]**

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

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

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

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

Sl. No.	Particulars	Details
1	Name(s) of the related party & nature of relationship	RNS INFRASTRUCTURE LIMITED
2	Nature of Relationship	Group Company
3	Nature of contracts / arrangements / transaction	Earth works
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	24.05.2017
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.28.2 of the Financial Statement.

ANNEXURE - 4

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L26914KA1983PLC005401
2.	Registration Date	29/06/1983
3.	Name of the Company	MURUDESHWAR CERAMICS LIMITED
4.	Category/Sub-category of the Company	PUBLIC, LISTED
5.	Address of the Registered office & contact details	# 604/B, MURUDESHWAR BHAVAN, GOKUL ROAD, HUBLI - 580030 E-mail : investor@naveentile.com Ph. : 91836-2331615-18, Fax : 91836-4252583
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MR. K. RAVI CANBANK COMPUTER SERVICES LIMITED J P ROYALE, 1ST FLOOR, NO.218, 2ND MAIN, SAMPIGE ROAD (NEAR 14TH CROSS), MALLESWARAM, BENGALURU - 560 003 TEL NOS. 080-23469661/62 , 23469664/65 FAX NOS. 080-23469667/68

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Manufacturer of ceramic products n.e.c.	23939	63.67%
2.	Construction and maintenance of water main and line connection, water reservoirs including irrigation system (canal)	42204	36.33%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
COMPANY DOES NOT HAVE ANY HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's & Promoter Group									
(1) Indian									
a) Individual / HUF	6594734	-	6594734	16.16	6594734	-	6594734	14.59	-
b) Central Govt/State Govt(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	20578552	-	20578552	47.91	22828552	-	22828552	50.50	2.59
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	27173286	-	27173286	63.26	29423286	-	29423286	65.09	1.83

ANNEXURE - 4 (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	27173286	-	27173286	63.26	29423286	-	29423286	65.09	1.83
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	-	700	700	-	-	700	700	-	-
b) Banks / FI	26980	2600	29580	0.07	-	2600	2600	0.01	-0.06
c) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	211087	-	211087	0.49	211087	-	211087	0.47	-0.02
f) FIs	-	900	900	-	-	900	900	-	-
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	238067	4200	242267	0.56	211087	4200	215287	0.48	-0.08
2. Non-Institutions									
a) Bodies Corporate	2016762	5651	2022413	4.71	1676467	5551	1682018	3.72	0.99
b) Individuals									
i) Individual holding nominal share capital upto ₹2 lac	5540438	379742	5920180	13.78	7854230	384372	8238602	18.23	4.45
ii) Individual holding nominal share capital in excess of ₹2 lac	3608677	476718	4085395	9.51	3292022	-	3292022	7.28	2.23
c) Others									
Clearing Members	433498	-	433498	1.01	33244	-	33244	0.07	0.94
Non Resident Indians	2679008	9772	2688780	6.26	1718279	9772	1728051	3.82	-2.44
HUF	388103	-	388103	0.90	591412	-	591412	1.31	0.41

ANNEXURE - 4 (Contd.)

d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	14666486	871883	15538369	36.17	15165654	399695	15565349	34.43	-1.74
Total (B)= (B)(1)+(B)(2)	14904553	876083	15780636	36.73	15376741	403895	15780636	34.91	-1.82
C. Shares held by Custodian against which Depository Receipts have been issued									
(1) Promoters and Promoter Group	-	-	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	42077839	876083	42953922	100.00	44800027	403895	45203922	100.00	-

Sl. No.								
1	Sharmila S Shetty	9200	0.02	-	9200	0.02	-	-0.00
2	R N Shetty	26808	0.06	-	26808	0.06	-	-0.00
3	Naveen R Sheety	560502	1.30	-	560502	1.24	-	-0.07
4	Sunil R Shetty	561102	1.31	-	561102	1.24	-	-0.07
5	Satish R Shetty	560402	1.30	-	560402	1.24	-	-0.07
6	Satish R Shetty Jointly with Sunil R Shetty & Naveen R Shetty	1650000	3.84	-	1650000	3.65	-	-0.20
7	Samtha A Shetty	544102	1.27	-	544102	1.21	-	-0.07
8	Mamtha S Hegde	547300	1.27	-	547300	1.21	-	-0.07
9	Geeta S Malli	544602	1.27	-	544602	1.21	-	-0.07
10	Shobha Jeevan Shetty	544902	1.27	-	544902	1.21	-	-0.07
11	Sudha R Shetty	540102	1.26	-	540102	1.20	-	-0.07
12	Shilpa Shetty	7400	0.02	-	7400	0.02	-	-0.00
13	Naveen Mechanised Construction Co. Pvt Ltd	488086	1.14	-	488086	1.08	-	-0.06
14	RNS Infrastructure Ltd	12140466	29.26	-	12140466	29.86	-	-1.48
15	Anvitaa Satish Shetty	9800	0.02	-	9800	0.02	-	-0.00
16	Murdeswar Power Corporation Limited	7950000	18.51	-	10200000	22.56	-	4.27
17	Ramika Sudesh Hegde	12300	0.03	-	12300	0.03	-	-0.00
18	Karan Satish Shetty	9800	0.02	-	9800	0.02	-	-0.00
19	Rohan Abhay Shetty	9800	0.02	-	9800	0.02	-	-0.00
20	Kolkebail Jeevan Shetty	38402	0.09	-	38402	0.09	-	-0.00
21	Mythri Naveen Shetty	7550	0.02	-	7550	0.02	-	-0.00
22	Aanchal Sunil Shetty	9800	0.02	-	9800	0.02	-	-0.00

ANNEXURE - 4 (Contd.)

23	Sandip Malli Kaidale	36202	0.08	-	36202	0.08	-	-0.00
24	Nikita Abhayanand Shetty	9800	0.02	-	9800	0.02	-	-0.00
25	Anmol Sunil Shetty	9800	0.02	-	9800	0.02	-	-0.00
26	Yukta Naveen Shetty	10000	0.02	-	10000	0.02	-	-0.00
27	Rishabh Naveen Shetty	9800	0.02	-	20068	0.02	-	-0.00
28	Mookambika Hiriyanna Shetty	20068	0.05	-	20068	0.05	-	-0.00
29	Billadi Sudesh Hegde	36400	0.08	-	36400	0.08	-	-0.00
30	Shachi Jeevan Shetty	12900	0.03	-	12900	0.03	-	-0.00
31	Abhayanand Raghu Shetty	32200	0.07	-	32200	0.07	-	-0.00
32	Adithi Jeevan Shetty	12900	0.03	-	12900	0.03	-	-0.00
33	Rathul Sandip Malli	12300	0.03	-	12300	0.03	-	-0.00
34	Rithika Sudesh Hegde	11600	0.03	-	11600	0.03	-	-0.00
35	Rama Nagappa Shetty (on behalf of R N Shetty Family Trust)	174590	0.41	-	174590	0.39	-	-0.02
36	Anisha Punja	12300	0.03	-	12300	0.03	-	-0.00

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Sharmila S Shetty	9200	0.02	9200	0.02
2	R N Shetty	26808	0.06	26808	0.06
3	Naveen R Shetty	560502	1.30	560502	1.24
4	Sunil R Shetty	561102	1.31	561102	1.24
5	Satish R Shetty	560402	1.30	560402	1.24
6	Satish R Shetty Jointly with Sunil R Shetty & Naveen R Shetty	1650000	3.84	1650000	3.65
7	Samtha A Shetty	544102	1.27	544102	1.21
8	Mamtha S Hegde	547300	1.27	547300	1.21
9	Geeta S Malli	544602	1.27	564602	1.21
10	Shobha Jeevan Shetty	544902	1.27	544902	1.21
11	Sudha R Shetty	540102	1.26	540102	1.20
12	Shilpa Shetty	7400	0.02	7400	0.02
13	Naveen Mechanised Construction Co. Pvt Ltd	488086	1.14	488086	1.08
14	RNS Infrastructure Ltd.	12140466	28.26	12140466	29.86
15	Anvitaa Satish Shetty	9800	0.02	9800	0.02
16	Murdeswar Power Corporation Limited	7950000	18.51	10200000	22.56
17	Ramika Sudesh Hegde	12300	0.03	12300	0.03
18	Karan Satish Shetty	9800	0.02	9800	0.02
19	Rohan Abhay Shetty	9800	0.02	9800	0.02
20	Kolkebaail Jeevan Shetty	38402	0.09	38402	0.09
21	Mythri Naveen Shetty	7550	0.02	7550	0.02

ANNEXURE - 4 (Contd.)

22	Aanchal Sunil Shetty	9800	0.02	9800	0.02
23	Sandip Malli Kaidale	36202	0.08	36202	0.08
24	Nikita Abhayanand Shetty	9800	0.02	9800	0.02
25	Anmol Sunil Shetty	9800	0.02	9800	0.02
26	Yukta Naveen Shetty	10000	0.02	10000	0.02
27	Rishabh Naveen Shetty	9800	0.02	20068	0.02
28	Mookambika Hiriyanna Shetty	20068	0.05	20068	0.05
29	Billadi Sudesh Hegde	36400	0.08	36400	0.08
30	Shachi Jeevan Shetty	12900	0.03	12900	0.03
31	Abhayanand Raghu Shetty	32200	0.08	32200	0.07
32	Adithi Jeevan Shetty	12900	0.03	12900	0.03
33	Rathul Sandip Malli	12300	0.03	12300	0.03
34	Rithika Sudesh Hegde	11600	0.03	11600	0.03
35	Rama Nagappa Shetty (on behalf of R N Shetty Family Trust)	174590	0.41	174590	0.39
36	Anisha Punja	12300	0.03	12300	0.03

**D) Shareholding Pattern of top ten Shareholders :
(Other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	Name of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SUBRAMANIAN P				
	At the beginning of the year	1075700	2.50	-	-
	Increase/Decrease as on 30.06.2017	39410	+0.09	1115110	2.60
	Increase/Decrease as on 30.09.2017	3720	-0.00	1111390	2.60
	Increase/Decrease as on 31.12.2017	-	-	1111390	2.60
	Increase/Decrease as on 31.03.2018	-	-	1111390	2.46
2	KESWANI HARESH				
	At the beginning of the year	1106789	2.58	-	-
	Increase/Decrease as on 30.06.2017	438241	-1.02	668548	1.56
	Increase/Decrease as on 30.09.2017	44920	-0.10	623628	1.45
	Increase/Decrease as on 31.12.2017	-	-	623628	1.15
	Increase/Decrease as on 31.03.2018	-	-	623628	1.38
3	RICKY ISHWARDAS KIRPALANI				
	At the beginning of the year	670222	1.56	-	-
	Increase/Decrease as on 30.06.2017	261833	-0.61	408389	0.95
	Increase/Decrease as on 30.09.2017	124046	-0.29	284343	0.66
	Increase/Decrease as on 31.12.2017	10041	+0.02	294384	0.69
	Increase/Decrease as on 31.03.2018	-	-	294384	0.69
4	NITESH SANJEEV SHETTY				
	At the beginning of the year	231059	0.54	-	-
	Increase/Decrease as on 30.06.2017	-	-	231059	0.54
	Increase/Decrease as on 30.09.2017	-	-	231059	0.54
	Increase/Decrease as on 31.12.2017	-	-	231059	0.54
	Increase/Decrease as on 31.03.2018	-	-	231059	0.51

ANNEXURE - 4 (Contd.)

Sl. No.	Name of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
5	PRASHANT SHETTY				
	At the beginning of the year	231059	0.54	-	-
	Increase/Decrease as on 30.06.2017	-	-	231059	0.54
	Increase/Decrease as on 30.09.2017	-	-	231059	0.54
	Increase/Decrease as on 31.12.2017	-	-	231059	0.54
	Increase/Decrease as on 31.03.2018	-	-	231059	0.51
6	Dr Sanjeev Arora				
	At the beginning of the year	247935	0.58	-	-
	Increase/Decrease as on 30.06.2017	-	-	247935	0.57
	Increase/Decrease as on 30.09.2017	-	-	247935	0.57
	Increase/Decrease as on 31.12.2017	-	-	247935	0.57
	Increase/Decrease as on 31.03.2018	57000	0.00	190935	0.42
7	IL AND FS TRUST CO LTD				
	At the beginning of the year	434576	1.01	-	-
	Increase/Decrease as on 30.06.2017	172855	-0.40	261721	0.61
	Increase/Decrease as on 30.09.2017	173177	-0.40	88544	0.21
	Increase/Decrease as on 31.12.2017	37908	0.09	126452	0.29
	Increase/Decrease as on 31.03.2018	57449	+0.13	183901	0.41
8	SHANTHI GENERAL FINANCE P LIMITED				
	At the beginning of the year	179990	0.42	-	-
	Increase/Decrease as on 30.06.2017	-	-	179990	0.42
	Increase/Decrease as on 30.09.2017	4600	-0.01	175390	0.41
	Increase/Decrease as on 31.12.2017	-	-	175390	0.41
	Increase/Decrease as on 31.03.2018	-	-	175390	0.39
9	SUJAY AJITKUMAR HAMLAI				
	At the beginning of the year	197996	0.46	-	-
	Increase/Decrease as on 30.06.2017	37996	-0.9	160000	0.37
	Increase/Decrease as on 30.09.2017	-	-	160000	0.37
	Increase/Decrease as on 31.12.2017	-	-	160000	0.37
	Increase/Decrease as on 31.03.2018	-	-	160000	0.35
10	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND				
	At the beginning of the year	143186	0.33	-	-
	Increase/Decrease as on 30.06.2017	-	-	143186	0.33
	Increase/Decrease as on 30.09.2017	-	-	143186	0.33
	Increase/Decrease as on 31.12.2017	-	-	143186	0.33
	Increase/Decrease as on 31.03.2018	-	-	143186	0.33

ANNEXURE - 4 (Contd.)

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Dr. Rama Nagappa Shetty				
	At the beginning of the year	26808	0.06	-	-
	Allotment	-	-	-	-
	At the end of the year	26808	0.06	26808	0.06
2	Shri Satish Rama Shetty				
	At the beginning of the year	1110402	2.72	-	-
	Allotment	-	-	-	-
	At the end of the year	1110402	2.72	1110402	2.46
3	Shri Sunil Rama Shetty				
	At the beginning of the year	1111102	2.72	-	-
	Allotment	-	-	-	-
	At the end of the year	1111102	2.72	1111102	2.46
4	Shri Naveen Rama Shetty				
	At the beginning of the year	1110502	2.72	-	-
	Allotment	-	-	-	-
	At the end of the year	1110502	2.72	1110502	2.46
5	Dr. Shivabasayya Siddaramayya Hiremath				
	At the beginning of the year	2300	0.01	-	-
	Allotment	-	-	-	-
	At the end of the year	2300	0.01	2300	0.01
6	Shri Annappayya Kundapur				
	At the beginning of the year	-	-	-	-
	Allotment	-	-	-	-
	At the end of the year	-	-	-	-
7	Shri Sankappa Keremane Shetty				
	At the beginning of the year	-	-	-	-
	Allotment	-	-	-	-
	At the end of the year	-	-	-	-
8	Smt Sarvani Alva				
	At the beginning of the year	-	-	-	-
	Allotment	-	-	-	-
	At the end of the year	-	-	-	-

ANNEXURE - 4 (Contd.)

Sl. No.	Name of the Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Satish Rama Shetty				
	At the beginning of the year	11,10,402	2.72	-	-
	Allotment	-	-	-	-
	At the end of the year	11,10,402	2.72	11,10,402	2.59
2	Shri Narayan Manjunath Hegde				
	At the beginning of the year	700	-	-	-
	Allotment	-	-	-	-
	At the end of the year	700	-	700	-
3	Shri Lakshmisha Babu S				
	At the beginning of the year	-	-	-	-
	Allotment	-	-	-	-
	At the end of the year	-	-	-	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,292.24	684.21	-	9,976.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,292.24	684.21	-	9,976.45
Change in Indebtedness during the financial year				
* Addition	576.52	-	-	576.52
* Reduction	143.16	45.45	-	188.61
Net Change	433.36	-45.45	-	387.91
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,725.60	638.76	-	10,364.36

ANNEXURE - 4 (Contd.)
VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

In Lakhs

Sl. No.	Particulars of Remuneration	Satish R Shetty Managing Director	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	51.00	51.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	9.30	9.30
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	60.30	60.30

Ceiling as per the Companies Act, 2013 is ₹30.48 lakhs including perks allowed

B. Remuneration to other Directors

In Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Annappayya Kundapur	Dr. Shivabasayya Siddaramayya Hiremath	Sankappa Keremane Shetty	Sarvani Alva	
1	Independent Directors					
	Fee for attending board committee meetings	0.80	0.55	0.80	0.40	2.55
	Commission	-	-	-	-	-
	Local Conveyance	0.05	0.05	0.05	0.04	0.19
	Total (1)	0.85	0.60	0.85	0.44	2.74
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.85	0.60	0.85	0.44	2.74
	Total Managerial Remuneration	0.85	0.60	0.85	0.44	2.74

Overall Ceiling as per the Companies Act, 2013 is ₹1 lakh per Director per meeting i.e. ₹25 lakhs

ANNEXURE - 4 (Contd.)

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

In Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO N M Hegde	CS Lakshmisha Babu .S	
1	Gross salary			
	(a) Salary and allowances	14.97	12.50	27.47
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Bonus paid	-	-	-
	(d) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Incentive	-	-	-
	Total	14.97	12.50	27.47

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE - 5

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,
Murudeshwar Ceramics Limited**
604/B, Gokul Road, Industrial Estate
Hubli - 580 030

We 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 – 580 030 (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the representations made, clarifications and information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018, in relation to the transactions of the Company, wherever applicable, attracting 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 Borrowings ;
- 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, 1992 ;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;

ANNEXURE - 5 (Contd.)

- 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 ; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ;
- vi. It has been represented and understood that there are no sector specific laws which are specifically applicable to the Company, which required be examining and reporting upon.
- We have also examined compliance with the applicable clauses of the following :
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The Listing Agreements entered into by the Company with Stock Exchange(s), and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable ;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws, and labour laws, has not been reviewed in this audit, since the same has been subject to review by the statutory financial audit by other designated professionals.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 Board duly recorded and signed by Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that 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.

We further report that during the audit period the operations at the factory of the company at Hubli continues to be hampered with certain plant, machinery and buildings not being in operation. There is no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Companies Affairs.

**Place : Bengaluru
Date : 10th August, 2018**

For Hemanth & Co
Company Secretaries
Hemanth B
FCS 6374 / CP No. 6519

This report to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

ANNEXURE - 5 (Contd.)

'Annexure A'

To,

**The Members,
Murudeshwar Ceramics Limited**
604/B, Gokul Road, Industrial Estate
Hubli - 580 030

Our report of even date is to be read along with this letter.

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

**Place : Bengaluru
Date : 10th August, 2018**

For Hemanth & Co
Company Secretaries
Hemanth B
FCS 6374 / CP No. 6519

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

INDUSTRY STRUCTURE AND DEVELOPMENT

The Ceramic and Vitrified industry is largely dependent on Indian Real estate Development. Ceramic and Vitrified is the major input only in building and construction, we can conclude that once the building and development increase there is a huge demand for Ceramic and Vitrified tiles. The Current scenarios in India of real estate is booming because of the Central Government new plans of establishing smart cities in India and also the relaxed interest rates for real estate development. Simultaneously a situation of cut throat competition, margin squeezing to capture market caused serious setback to the business of tiles manufacturers in the organized sector. Added to this many small and unorganized sector have taken up production of tiles and the number of such small units are increasing day by day.

Murudeshwar Ceramics Limited started commercial production on 01.05.1988 with an installed capacity of 12,500 tons per annum (TPA) of Ceramic tiles at Hubli in Northern Karnataka. The Company undertook a major product diversification into manufacture of Vitrified tiles in the year 1993. The Vitrified tiles project was completed in a very short time and the production commenced on 01.03.1994. On considerations of quality, value addition, aesthetic looks and endurance, the said Vitrified tiles under the Brand Name of “NAVEEN DIAMONTILE” became very popular in domestic markets in a very short time. Encouraged by the response for Vitrified tiles in the Indian market, the company has established one more Vitrified tile manufacturing unit in Karaikal with an initial capacity of 6,000 Sq.mtrs. per day which commenced its commercial production on 1st day of October 2003. Simultaneously the capacity expansion also was carried on side by side. On cost considerations the Company stopped production of Ceramic tiles in August 2002. But later on, as a support product, manufacturing of Ceramic tiles was once again started with an initial capacity of 8,000 Sq.mtrs per day at Hubli unit. The new Ceramic tile manufacturing unit became operational from January 2006 and the expansion project was undertaken simultaneously. New varieties of tiles in aesthetic colours, shades, body matrix and in different dimensions are being constantly added on in the product mix. On cost considerations, the Kilns in Hubli unit were modified to be fueled by Coal Gas. The Coal gasification was completed in the year 2009. As on 2012-13 the Hubli Plant was under conversion process from Coal Gas to Natural Gas. The management has started productions in the new plant at Sira, Tumkur. As at the end of the financial year the installed capacity of Ceramic and Vitrified tiles are as follows:

Annual Capacity	VITRIFIED TILES		CERAMIC TILES
	Sira	Karaikal	Hubli
Installed Capacity (in Sq. Mtrs.) per annum	12,00,000	18,00,000	-
Capacity Utilised	8,46,918	9,01,788	-
% Capacity Utilised	70.58%	50.09%	-

ABOUT CERAMIC MARKET AND COMPETITION

GST (Goods and Service tax), a topic that probably is the hottest and most discussed in a business circle is a reality. GST should now be embarrassed as a reality that is here to stay. While GST is for most, it will also be for Ceramics. Just to point out, most of the Ceramic manufacturers have huge turnovers and GST should not spell a doom for them. It should in fact be better with Excise and Sales tax under same heading, helping the players to have just one department to deal with. The rate is 18% with effect from 15th November, 2017 seems reasonable and prices of products are set to be stable. Demand in the sector is price sensitive and is highly depend on new projects and constructions coming up. There will be pressure on sales and dispatch. This will be due to confusion, lack of clarity, stock transfer and new production. These factors together will surely put lot of pressure on sales as well as collections of manufacturers as well as traders. Implementation of E-Way bill from 1st April, 2018 will control dumping of material by unorganized sector industry from Gujarat.

Sale of Vitrified tiles largely depends upon the Real Estate market. The Real Estate Regulation Act (RERA) affect the Real Estate market very badly. However, the market may improve in near future.

Digital printing has enabled manufacturers to produce variety fast and keep smaller batches. Variety has increased while reducing inventory holdings. Digital printing has also helped to meet huge demand for varied looks and ambience enhancements keeping all designers happy whether it is a professional or a house wife or a businessman redoing his office.

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

OPPORTUNITIES

Booming real estate sector along with availability of housing loans on low interest rates has provided the much awaited thrust to Indian tiles market. During the last two years a phenomenal growth has been recorded in the field of Ceramic tiles to meet the industry demand from every corner of the country with the increasing construction activities, the tiles market in the country is set to flourish.

Apart from the above a blitz of reforms and new strong initiatives bought forth by the Government, the market is looking at wide scale changes.

Housing for All by 2022 & Smart City Initiative : The new wave of initiatives introduced by the Government under "Housing for All by 2022" has boosted the affordable housing sector in the country. India is looking to add around 2 crore new affordable houses by 2022, making them an incredible value proposition for big players in the home lifestyle solutions providers.

Rising Investments in Commercial Spaces : The demand for Ceramic tiles, especially floor tiles is expected to grow substantially as a result of rising investments in commercial spaces as well as core projects like airports, hospitals, hotels and construction project investments.

Rise in Global Urban Population and Standard of Living : The rise in global urban population and standard of living is propelling the demand for high-rise buildings. Thus, the demand coupled by government policies is fueling strong growth in housing sector.

GST : Under GST, tiles and sanitaryware has been taxed at 18%. Thus, the industry is looking forward to better enforcement and a level playing field under the new tax scenario.

THREATS

Constantly increasing in fuel price is very big issue for the industry because the manufacturing involves a highly energy intensive manufacturing process; gas, power and transportation cost are the key cost-related issued and impacting the industry. Consistently in fuel and power availability at reasonable rates is very major concern for the industry. The Cceramic industry in India is highly competitive on account of low entry barriers, easy availability of raw material and limited initial capital investment requirement. The industry is also facing competition of cheap imports of Vitrified tiles from China.

SEGMENT-WISE PERFORMANCE AND DISCUSSION ON FINANCIAL / OPERATIONAL PERFORMANCE :

The Segment-wise performance for the year ended on 31.03.2018 is furnished hereunder :

SEGMENT	PRODUCTION (in Sq. Mtrs.)	SALES	
		Volume (Sq.Mtrs.)	Value (₹ in lakhs)
Vitrified Tiles	17,48,706 (15,69,487)	14,51,275 (17,72,929)	7,189.91 (6,546.01)
Ceramic Tiles	- (-)	1,66,830 (2,39,508)	500.29 (680.12)
Earth Work + Road Work (Sales receipts)	- (-)	- (-)	4,387.56 (3,829.37)

(Figures in brackets indicate corresponding values for the previous year)

As may be seen from the above statement, that there was no production of Ceramic tiles, production of Vitrified tiles increased by 11.42% and Granite Division has not produced any slabs during the year. Overall sales revenue has also been increased. With the result the Company has earned a profit of ₹508.96 lakhs for the year under report compared to profit of ₹135.00 lakhs for the previous year.

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

OUT-LOOK

The Company has introduced value added Vitrified Tiles from the new facility in Sira like double charge. Action has been initiated to widen our distribution network, to absorb the additional production from the new units at Sira. The Company has also started producing high value digital printing Vitrified Tiles at Karaikal. As regards distribution set up, we have added a few more showrooms of our own in Karnataka depending upon the market demand. We are exploring the possibility of appointing new dealers and distributors in other South Indian States. The Company is also planning to produce only high value double charge Vitrified Tiles in Sira and Digital printing Glazed Vitrified Tiles (GVT) and Polished Glazed Vitrified Tiles (PGVT) are manufactured at Kariakal plant.

RISKS AND CONCERNS

Despite the Anti-dumping duty imposed by the Hon'ble Government of India on Vitrified tiles cheap imported tiles is disturbing the domestic market continuously. These imported tiles though cannot match the tiles produced by the larger industries in the organized sector in terms of quality, but still can affect the retail market which constitutes a larger part of the tiles market in India. Even though the Company can counter this by considering the quality and brand image, still a portion of market will be taken away by such cheap imported tiles on cost considerations. During the year the price of fuels was increasing at an alarming rate which had directly influence the costing pattern of the Company.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Day to day administration is looked after by the Managing Director under supervision, control and guidance of the Executive Committee of Directors headed by Dr. R N Shetty as Chairman. The Company has a separate internal audit department with experienced staff, placed under the supervision and control of the Vice President (Finance) and CFO. The Company has also appointed a practicing chartered accountant to conduct the internal audit and to submit a report for the Board. The system control of the Company is functioning efficiently with most of the branches electronically connected with the Head Office. The organizational set up and the system control have been efficient. The internal control procedures are adequate and efficient.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance and operational performance has been more fully described in the Board of Directors report. Shareholder may refer of the Board of Directors report for further reference.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

As at the end of the year the Company had 300 employees on the rolls. The Company continued to engage services of senior level personnel even at branches level to ensure better control and coordination. Management also continues to give due importance for Manpower training and motivation. Customer care and Customer satisfaction are being ensured with meticulous care. The understanding between the Management and workers continues to be cordial.

CAUTION

Opportunities, threats, outlook, forecasts in any form and manner, made in this section or any other sections of this Annual Report are purely based on management perceptions made on situations as could be reasonably foreseen under the existing conditions. But various factors viz., capacities elsewhere, technology related matters, inflationary trends, unexpected recession and changes in policies of the Government etc., may impair such perceptions and adversely impact on calculations of the management.

for and on behalf of the Board of Directors

Dr. R.N. SHETTY
Chairman
(DIN 00038810)

Place : Bengaluru
Date : August 10, 2018

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 Management believes that all applicable laws, rules and regulations in force are to be abided as a basic discipline. In the process the Company has complied with requirements of Corporate Governance Provisions prescribed under SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. Investors / Customer satisfaction are being constantly monitored and maintained at satisfactory levels. Inter-department co-ordination is satisfactory. Accountability and responsibility fixed at each level of hierarchy. On the operations side, the Management relies upon quality maintenance, effective presentation and customer satisfaction as basic requirements. Accordingly Manpower training and motivation are being pursued to attain desired results. The Management aims at commitment to high standards of administrative and financial discipline, transparent administration and enhancement of investor value.

2. BOARD OF DIRECTORS

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

2.1 Non-Executive Directors

- | | | | |
|-----|--|---|------------------------|
| 1) | Dr R.N. Shetty | : | Promoter and Chairman |
| 2). | Dr. Shivabasayya Siddaramayya Hiremath | : | Independent Director. |
| 3) | Shri Annappayya Kundapur | : | Independent Director |
| 4) | Shri Sankappa Keremane Shetty | : | Independent Director |
| 5) | Smt. Sarvani Alva | : | Independent Director |
| 6) | Shri Sunil Rama Shetty | : | Non-Executive Director |
| 7) | Shri Naveen Rama Shetty | : | Non-Executive Director |

2.2 Executive Director

- | | | | |
|----|-------------------------|---|-------------------|
| 8) | Shri Satish Rama Shetty | : | Managing Director |
|----|-------------------------|---|-------------------|

The Board has seven Non-Executive Directors of whom four are independent directors. Dr R N Shetty is the Non-Executive Chairman. The said composition is in conformity with the requirements of SEBI (LODR) Regulations, 2015, Executive Director has been appointed for a term of five years effective from respective date of his appointment.

None of the above said Non-Executive Directors has any pecuniary relationship or transaction with the Company excepting eligibility for Sitting fees and reimbursement of expenses incurred for attending Board Meetings. Promoters Dr. Rama Nagappa Shetty, Shri Sunil Rama Shetty, Shri Naveen Rama Shetty and the Executive Director Shri Satish 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.

2.3 Brief Particulars of Directors appointed / re-appointed

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

- 2.3(a) **Shri Sunil R Shetty** aged about 54 years is graduate in Mechanical Engineering from Karnataka University, Dharwad. He has been inducted as a director on the Board of Directors of Murudeshwar Ceramics Limited (MCL) in the year 1993. Under the able guidance of his father Dr. R N Shetty, a renowned industrialist and Philanthropist of Northern Karnataka, Shri Sunil R Shetty has ably involved himself in various developmental activities of the Company. At present he is the Director of the Company. Under his control and guidance the Company has successfully implemented a series of expansion and diversification projects.

Apart from his valuable contribution in the success of MCL, Shri Sunil R Shetty has also been guiding force in leading to great success the two other major business entities of the group namely RNS Motors – Maruti dealers having four highly accredited centres and Naveen Hotels a most reputed star hotel having units one each in Hubli and Murudeshwar.

Shri Sunil R Shetty has taken active role in implementation of major civil engineering projects like Gerusoppa Dam, Major irrigation canals, Major Highway projects, a Hydal Power Generating Company etc., undertaken by R N Shetty & Company. Shri Sunil R Shetty is the Managing Director of R N Shetty & Company Pvt. Ltd., and Naveen Mechanised Construction Company Pvt. Ltd.,

CORPORATE GOVERNANCE REPORT (Contd.)

2.3.(b) **Mr. Karan Satish Shetty** aged 25 years has completed his Bachelors in Mechanical Engineering from P.E.S Institute of Technology, Bengaluru and Masters in International Management Studies from the University of Texas at Dallas.

2.4 Meetings, Attendance and Membership of Committees

During the year under report Five (5) Board Meetings were held on May 24, 2017, July 31, 2017, September 22, 2017, October 31, 2017 and February 12, 2018 and gap between any two consecutive Board Meetings has not exceeded four months.

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 2017-18.

Sl. No.	Name of Director	BOARD MEETINGS		Whether attended last AGM	COMMITTEES		Other director -ships held
		Held	Attended		Memberships	Chairman	
1	Dr. Rama Nagappa Shetty	5	4	No	4	-	13
2	Dr Shivabasayya Siddaramayya Hiremath	5	5	Yes	1	1	3
3	Shri Annappayya Kundapur	5	5	Yes	1	2	1
4	Shri Sankappa Keremane Shetty	5	5	Yes	3	1	3
5	Smt. Sarvani Alva	5	4	No	-	-	1
6	Shri Satish Rama Shetty	5	5	Yes	-	-	13
7	Shri Sunil Rama Shetty	5	2	No	1	-	15
8	Shri. Naveen Rama Shetty	5	4	No	-	-	11

3. CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for all 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 31.03.2018 and necessary declaration from Managing Director is annexed forming part of this report.

4. AUDIT COMMITTEE

During the year under report four (4) Audit Committee Meetings were held on May 24, 2017, July 31, 2017, October 31, 2017 and February 12, 2018. The Meeting held on May 24, 2017 was for the purpose of considering audited accounts for the year ended on 31.03.2017 and the members were

1. Shri Sankappa Keremane Shetty - Chairman
2. Dr. Rama Nagappa Shetty - Member
3. Shri Annappayya Kundapur - Member

All three members attended all the meetings of Audit Committee. The members of the Audit Committee are Non-Executive Directors and two of them are independent directors. The Chairman, Shri Sankappa K Shetty is an independent Non-Executive Director and having knowledge of financial and accounting matters. The Audit Committee invites such of the executives, as it considers appropriate (CFO) to be present at its meetings. The Managing Director also attends the meeting. The Statutory Auditors are also invited to the meetings. Shri Lakshmisha Babu S, Company Secretary is the Secretary of the Committee.

For the financial year 2017-18 the Audit Committee functions with reference to matters contained in the provisions of The Companies Act, 2013 read SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. the terms of reference/role of the Audit Committee inter alia include (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity; (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors; (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause(c) of sub-section (3) of Section 134 of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transactions; (g) modified opinion(s) in the draft audit report; (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval, (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc..) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter; (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; (8) approval or

CORPORATE GOVERNANCE REPORT (Contd.)

any subsequent modification of transactions of the listed entity with related parties; (9) scrutiny of inter-corporate loans and investments; (10) valuation of undertakings or assets of the listed entity, wherever it is necessary; (11) evaluation of internal financial controls and risk management systems; (12) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems; (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; (14) discussion with internal auditors of any significant findings and follow up there on; (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; (18) to review the functioning of the whistle blower mechanism; (19) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted the Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure Practices to be followed by the Directors, Employees and other connected persons. The Code is based on the principle that Directors and Employees owe a fiduciary duty to, among others, the members of the Company, to place the interest of the members above their own and conduct their personal securities transactions in the manner that does not create any conflict of interest.

5. NOMINATION AND REMUNERATION COMMITTEE

5.1 **Composition** : The members of the Remuneration Committee were as follows :

- | | | |
|--|---|----------|
| 1. Shri Annappayya Kundapur | - | Chairman |
| 2. Dr Shivabasayya Siddaramayya Hiremath | - | Member |
| 3. Shri Sankappa Keremane Shetty | - | Member |

During the year the Remuneration Committee met on 27.05.2017 and all three Directors Shri Annappayya Kundapur, Dr. Shivabasayya Siddaramayya Hiremath and Shri Sankappa K Shetty attended the meeting. All the three members including the Chairman of the Committee are non-executive and independent directors, Shri Lakshmisha Babu S, Company Secretary is the Secretary. The terms of the provisions of Section 178(3) of the Act and SEBI (LODR) Regulations 2015, the terms of reference/ role of NRC is (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees. (2) formulation of criteria for evaluation of performance of independent directors and the board of directors; (3) devising a policy on diversity of Board of Directors; (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommended to the Board of Directors their appointment and removal. (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

5.3(a) **Details of Remuneration paid / accrued to Executive Director for the year ended 31.03.2018**

Name of Executive Director	Salary (₹)	Perquisites & Amenities (₹)	TOTAL (₹)
Shri Satish R Shetty, Managing Director	51,00,000	9,30,000	60,30,000
Total	51,00,000	9,30,000	60,30,000

NOTE :

- None of the above said remuneration / benefits is performance linked.
- The Executive Directors shall discharge their duties under the supervision, control and directions of the Board of Directors from time to time. There is no service contract or agreement.
- The Term of office of the above said Directors was for five years effective from their respective dates of re-appointment.
- Directors are entitled to sitting fee of ₹10,000/- per Board meeting and ₹5,000/- per Committee meeting attended and reimbursement of travel and other incidental expenses. However the said Executive Directors continue to not receive any kind of remuneration for attending any Board and / or Committee meetings as they have waived their entitlement for such remuneration.

CORPORATE GOVERNANCE REPORT (Contd.)

5.3(b) 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 ₹10,000/- for every Board meeting and ₹5,000/- for Committee meetings attended and reimbursement of travel and stay expenses for each meeting attended. However Chairman Dr. R N Shetty, 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.

5.3(c) Remuneration Package of Non-Executive Directors

During the year under report. The remuneration package to Non-Executive Directors of the Company is within the limits prescribed under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013. The Remuneration Committee shall examine and review payments, to Executive and Non-Executive Directors. As and when such recommendations are made by the Audit / Remuneration Committee, Board shall examine and adopt suitable remuneration package subject to compliance with applicable provisions of law and the SEBI (LODR) Regulations 2015. The remuneration package for Non-Executive Directors is furnished in paragraph 5.3(b) above.

5.3(d) Share holding of Directors as on March 31, 2018.

Name of Director	Nature of office of Director	Shares held	Percentage to Eq. Capital
Dr. Rama Nagappa Shetty	Non-Executive	26,808	0.06
Shri Satish Rama Shetty	Executive	11,10,402	2.46
Shri Sunil Rama Shetty	Non-Executive	11,11,102	2.46
Shri Naveen Rama Shetty	Non-Executive	11,10,502	2.46
Shri Annappayya Kundapur	Non-Executive	Nil	-
Shri Sankappa Keremane Shetty	Non-Executive	Nil	-
Dr. Shivabasayya Siddaramayya Hiremath	Non-Executive	2,300	0.01
Smt.Sarvani Alva	Non-Executive	Nil	-

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

6. STAKEHOLDERS GRIEVANCE COMMITTEE

6.1 Composition: The members of the Stakeholders Grievance Committee were as follows:

1. Dr. Rama Nagappa Shetty - Member
2. Shri Annappayya Kundapur - Chairman
3. Shri Sankappa Keremane Shetty - Member

Shri. Annappayya Kundapur, the Non-Executive Director was the Chairman of the Committee. Shri. Lakshmisha Babu S, Company Secretary is the Secretary of the Committee.

6.2 STATUS OF STAKEHOLDERS COMPLAINTS

During the year under report the Company has not received any valid Investor complaints. Investor grievances were attended on top priority. Share transfers were attended within the prescribed time limits. As on 31.03.2018 there were no Stakeholders complaints pending redressal.

6.3 THE RESPONSIBILITY OF STAKEHOLDERS GRIEVANCE COMMITTEE INTERALIA INCLUDE

1. Review of statutory compliance relating to all security holders
2. Resolving the grievance of all security holders of the Company
3. Overseeing and reviewing of all the matters related to transfer of securities and movement in shareholding and ownership of the Company

7. INDEPENDENT DIRECTORS MEET

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management. 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, 2018. All the four independent Directors attended the meeting.

CORPORATE GOVERNANCE REPORT (Contd.)

7.1 TERMS OF THE MEET

Review the performance of the Non-Independent Directors and Board as a whole and also the Chairman of the Company to assess the quality, Quantity and timely flow of information between the Company and Management. Board needs to provide effective strategic direction to the Company and to direct on key decisions impacting the performance of the Company. To review the financial performance of the company and suggest corrective actions.

8. OTHER COMMITTEES

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

- | | |
|--------------------------------------|----------------------------------|
| 1) Dr. Rama Nagappa Shetty, Chairman | 2) Shri Satish Rama Shetty |
| 3) Shri Sunil Rama Shetty | 4) Shri Naveen Rama Shetty |
| 5) Shri Annappayya Kundapur | 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. DISCLOSURES

9.1 Materially significant related party transactions : Related party transactions has been furnished in the Note 28.2 forming part of the statement of accounts. None of the transactions stated therein may be considered to have potential conflict with the interests of the Company and all transactions are in the usual course of business of the Company. The related party transactions, in the ordinary course of business are subject to periodical review by the audit committee.

9.2 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.

9.3 The Company has been regular in making timely disclosures prescribed under the SEBI (LODR) 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.

10. ANNUAL GENERAL BODY MEETINGS

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

Year ended	Date of Meeting	Time	Special Resolution passed
2016-2017	22.09.2017	4 p.m.	Yes To re - appointment of Shri Satish Rama Shetty as Managing Director of the Company
2015-2016	23.09.2016	4 p.m.	Yes Sale, purchase of supply of any goods including capital goods or materials, selling or otherwise disposing of, or buying leasing of property any kind, availing or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction with RNS Infrastructure Limited from financial year 2016 to 2019
2014-2015	26.09.2015	4 p.m.	Yes Sale, purchase of supply of any goods including capital goods or materials, selling or otherwise disposing of, or buying leasing of property any kind, availing or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction with RNS Infrastructure Limited

CORPORATE GOVERNANCE REPORT (Contd.)

- 10.1 **EXTRA ORDINARY GENERAL BODY MEETINGS : None**
- 10.2 **DETAILS OF SPECIAL RESOLUTION PASSED LAST YEAR THROUGH POSTAL BALLOT : None**
- 11. MEANS OF COMMUNICATION**
- 11.1 Financial Results prescribed under Regulation 33 of SEBI (LODR) Regulations 2015 were published in Financial Express in English Version and Udayavani in Vernacular text.
- 11.2 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.
- 11.3 The Company's website www.naveentiles.co.in contained a separate dedicated section "Investor Relations" where shareholders information is 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.
- 11.4 All periodical compliances filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS and BSE Listing Centre maintained by National Stock Exchange of India Limited and Bombay Stock Exchange Limited respectively.
- 11.5 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.
- 11.6 The Management Discussion and Analysis report is separately annexed forming part of the Directors' Report.
- 12. GENERAL INFORMATION TO SHAREHOLDERS**
- 12.1 **Outstanding GDR / ADR / Warrants / any other Convertible instruments :** The Company had issued 46,20,000 convertible share warrants which had to be converted into equity shares over a period of 18 months from the date of issue, that was 24-03-2017. Now, the Company has converted all the Share Warrants into equity shares by allotment of Equity Shares to warrant holders as of May 30, 2018.
- 12.2 **Commodity Price risk or foreign exchange risk and hedging risk :** The Company has a Risk Management policy which the company follows in case of such situation.
- 12.3 **Plant Location :** Please refer first page of the Annual Report.
- 12.4 **Annual General Meeting**
- (a) Date and time : September 28, 2018 at 4 p.m.
- (b) Venue : Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubli - 580 029.
- 12.5 **Financial Year** : 1st day of April to 31st day of March of succeeding year.
- 12.6 **Books Closure** : Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive)
- 12.7 **Stock Exch. on which listed and Stock Code** : a) Bombay Stock Exchange Ltd.,(Stock Code 515037)
b) National Stock Exchange of India Ltd., (Symbol MURUDCERA, Series EQ)
- 12.8 **Murudeshwar Ceramics Limited Vs BSE Sensex**



CORPORATE GOVERNANCE REPORT (Contd.)

12.9 Murudeshwar Ceramics Limited VS NIFTY



12.10 Market Price Data

Month	BSE		NSE	
	Highest ₹	Lowest ₹	Highest ₹	Lowest ₹
April 2017	53.75	41.10	53.80	41.75
May 2017	46.85	36.00	46.90	35.90
June 2017	46.60	37.50	46.85	37.10
July 2017	48.20	40.55	48.40	40.60
August 2017	58.40	34.20	58.50	34.60
September 2017	54.90	45.05	55.00	45.05
October 2017	52.25	44.60	52.45	45.00
November 2017	46.50	41.00	46.85	40.50
December 2017	53.70	40.35	53.70	40.00
January 2018	57.10	45.00	57.00	44.00
February 2018	48.00	37.10	48.30	36.75
March 2018	41.60	30.65	41.70	30.75

12.11 Share Transfer System and Dematerialisation

As at the end of March 31, 2018 the Company had 16,923 shareholders holding 4,52,03,922 equity shares of the Company. Out of the above 15,386 members (90.90%) held 4,48,00,027 shares (99.11%) in dematerialized form. The Balance of 1,541 members (9.10%) held 4,03,895 equity shares (0.89%) in physical form.

From the records it is clear that 1,541 (9.10%) of the total number of members holding in all 4,03,895 (0.89%) in physical form have still not taken action to dematerialize their shares, in spite of appeal 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 share holding 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.

CORPORATE GOVERNANCE REPORT (Contd.)

12.12(a) Distribution of Shareholding as on 31.03.2018

Nominal Value of Shares	No. of Holders	Share Amount	
		in ₹	% to Paid-up Capital
Upto 5,000	13,308	2,22,35,290	4.92
5,001 - 10,000	1,741	1,47,52,570	3.26
10,001 - 20,000	875	1,40,04,070	3.10
20,001 - 30,000	346	89,33,230	1.98
30,001 - 40,000	135	49,13,680	1.09
40,001 - 50,000	144	69,15,160	1.53
50,001 - 1,00,000	196	1,49,29,120	3.30
1,00,001 & Above	182	36,53,56,100	80.82
T O T A L	16,927	45,20,39,220	100.00

12.12(b) Shareholding Pattern as on 31.03.2018

Sl. No.	Category of Shareholder	Shares as on 31-03-2018	%
1	Financial Institutions Govt. Sponsored (Insurance Companies)	2,11,087	0.47
2	Mutual Funds	700	-
3	Banks/Financial Institutions	2,600	0.01
4	NRI's	17,28,051	3.82
5	Hindu Undivided Family	5,91,412	1.31
6	Foreign Institutional Investors	900	-
7	Promoter Directors & their Relatives	2,94,23,286	65.09
8	Other Bodies Corporates	16,82,018	3.72
9	Clearing Members	33,244	0.07
10	Resident Individuals	1,15,30,624	25.51
	T O T A L	4,52,03,922	100.00

12.13 Compliance with non-mandatory requirements under Corporate Governance Provisions

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

- The Chairman is Non-Executive Director and is entitled to reimbursement of expenses incurred for the Business purposes of the Company. But the Chairman has waived his entitlement to remuneration for attending Board / Committee Meetings.
- Audit qualification** : The Company is in the regime of unqualified financial statements.
- Reporting of Internal Auditor** : The Internal Auditor of the Company reports directly to the Audit Committee.
- Nomination and Remuneration Committee** : The Company has Constituted a "Nomination and Remuneration Committee" meeting the requirements of SEBI (LODR) Regulation 2015 and the Companies Act, 2013.
- Training of Board Members** : All new Non-Executive Directors inducted to the Board are introduced to the Company culture with appropriate orientation sessions. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings on business and performance updates of the Company, global business environment, business strategy and risks involved.

CORPORATE GOVERNANCE REPORT (Contd.)

- f) **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.
- g) **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.

12.14 General

- a) 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 in prescribed under The Companies Act.
- b) 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.
- c) 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.

12.15 Address for Communication :

- a) Members may contact Company Secretary at the Registered Office of the Company at **Murudeshwar Bhavan, Gokul Road, Hubli – 580 030 [Phone: 0836 – 2331615 (upto 18)], Fax: 0836 – 4252583 or at 7th Floor, Naveen Complex, 14, M G Road, Bengaluru – 560 001** (Phone-080-25584181. Fax : 080-25584017) for clarifications or grievances if any.
- b) 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.
- c) 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.

13. Other Provisions:

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

Place : Bengaluru
Date : August 10, 2018

for and on behalf of the Board of Directors
Dr. R. N.SHETTY
Chairman
(DIN 00038810)

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, 2018.

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.A.RAGHUPATHY & CO.,
Chartered Accountants
ICAI FIRM REG No : 011573S
(K.A.RAGHUPATHY)
Partner
Membership No : 218041

Place : Bengaluru

Date : May 30 2018

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

To

The Members of Murudeshwar Ceramics Ltd.

This is to confirm that the Company has laid down Code of Conduct for all Board members and senior management personnel of the Company and a copy of the said Code of Conduct is available on the Company's web-site www.naveentiles.co.in.

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 31.03.2018.

SATISH R SHETTY
Managing Director
(DIN 00037526)

Place : Bengaluru

Date : May 30, 2018

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 2018 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.

Place : Bengaluru
Date : May 30, 2018

Satish Rama Shetty
Managing Director
(DIN 00037526)

N M Hegde
CFO

INDEPENDENT AUDITORS' REPORT

To,

**The Members
MURUDESHWAR CERAMICS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s MURUDESHWAR CERAMICS LTD.** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT (Contd.)

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 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us
 - i) The Company does not have any pending litigations which would impact its financial position
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For K.A.RAGHUPATHY & CO.,
Chartered Accountants
ICAI FIRM REGN. No. : 011573S
(K.A.RAGHUPATHY)
Partner
Membership No:218041

Place : Bengaluru
Date : May 30, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M/s MURUDESHWAR CERAMICS LTD. of even date)

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

We have audited the internal financial controls over financial reporting of **M/s MURUDESHWAR CERAMICS LTD.** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

of adequate internal financial controls that were operating effectively for ensuring the orderly 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, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India 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. Those Standards and the Guidance Note 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that.

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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 March 31, 2018, 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.

For K.A.RAGHUPATHY & CO.,
Chartered Accountants
ICAI FIRM REGN. No. : 011573S
(K.A.RAGHUPATHY)
Partner
Membership No:218041

Place : Bengaluru
Date : May 30, 2018

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of M/s MURUDESHWAR CERAMICS LTD. of even date)

- i. In respect of the Company’s fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds 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.
- ii. In respect to Inventories
 - a. The management has conducted physical verification of inventory at reasonable intervals
 - b. The procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of companies operations and nature of business
 - c. The company is maintaining proper records of inventory and discrepancies are reported during the physical verification of inventory by management.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans to any bodies corporate, covered in the register maintained under Section 189 of the Companies Act, 2013, and accordingly Clause 3(III) (a) to (c) are bit applicable to company and hence cannot be commented upon
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 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, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, 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, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

- viii. In our opinion and according to explanations given to us, the company has not defaulted in the repayment of dues to banks, financial institutions. The company has not issued any debentures.
- ix. (a) Based on audit procedures performed and information and explanations given to us by the management, the company has not raised moneys by way of Initial public offer or Further Public offer including debt instruments. The funds raised during the year are applied for the purposes for which they are raised.
- (b) According to the information and explanation provided to us, the company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposed for which they were raised.
- x. According to the information provided to us and to the best of our knowledge no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) Based on audit procedures performed and information and explanations given to us by the management, the company has made preferential allotment of shares/convertible share warrants during the year by allotting 22,50,000 Equity shares pursuant to conversion of first tranche of convertible Share warrants to promoter/ Promoter Group company M/s Murdeshwar Power Corporation Limited on preferential allotment basis during the year under review. Accordingly the relevant provision of the order has been complied with.
- (b) Based upon audit procedures performed and the explanation and information given to us by the management, the company has not made any fully/partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the order are not applicable to the company and hence cannot be commented upon.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For K.A.RAGHUPATHY & CO.,
Chartered Accountants
ICAI FIRM REGN. No. : 011573S
(K.A.RAGHUPATHY)
Partner
Membership No:218041

Place : Bengaluru
Date : May 30, 2018

BALANCE SHEET AS AT 31st MARCH 2018

Particulars		Notes	March 31, 2018	March 31, 2017	April 1, 2016
A	ASSETS		₹ in lakhs	₹ in lakhs	₹ in lakhs
	Non Current Assets				
	Property, plant and equipment	4	30,168.54	30,870.09	27,820.79
	Capital work-in-progress		453.00	169.13	1,912.75
	Other Intangible assets				
	Financial assets				
	Trade Receivables				
	Other Financial Assets	5	390.29	390.29	390.29
	Deferred Tax Assets (Net)				
	Current Tax Assets (Net)	6	689.71	590.71	524.46
	Other non-current assets	6	85.78	83.04	86.48
	Total Non - Current Assets (A)		31,787.32	32,103.26	30,734.77
B	CURRENT ASSETS				
	Inventories	7	11,180.02	10,360.17	10,329.34
	Financial assets				
	Trade Receivables	8	3,255.74	3,074.98	3,343.34
	Cash and cash equivalents	9	437.15	599.13	714.65
	Other financial assets				
	Other current assets	10	1,460.31	1,598.41	1,601.99
	Total Current Assets (B)		16,333.22	15,632.69	15,989.32
	Total Assets (A+B)		48,120.54	47,735.95	46,724.09
C	EQUITY AND LIABILITIES				
	EQUITY				
	Equity share capital	11	4,521.17	4,296.17	4,082.17
	Reserves and Surplus		29,116.67	28,090.20	27,463.00
	Other equity - (Money Received against Share Warrant)		195.52	381.15	-
	Total Equity		33,833.36	32,767.52	31,545.17
D	LIABILITIES				
	Non-current liabilities				
	Financial liabilities				
	Borrowings	12	3,222.95	2,693.78	2,611.74
	Deferred Tax Liability	13	819.54	810.17	695.32
	Trade Payables	15	-	490.12	780.78
	Provisions	14	17.80	9.49	101.89
	Total Non - Current liabilities		4,060.29	4,003.56	4,189.73
	Current liabilities				
	Financial liabilities				
	Trade Payables	15	1,958.05	2,136.13	2,360.75
	Other financial liabilities	16	7,141.41	7,282.67	7,654.51
	Other current liabilities	17	1,065.61	1,526.89	955.96
	Provisions	18	61.82	19.18	17.97
	Current Tax Liabilities (Net)				
	Total Equity and Liabilities		48,120.54	47,735.95	46,724.09

In terms of our report attached
For **K A RAGHUPATHY & Co.,**
Chartered Accountants
ICAI FIRM REG No. : 011573S
K A RAGHUPATHY
Membership No : 218041
Place : Bengaluru
Date : 30-05-2018

For and on behalf of the Board of Directors
MURUDESHWAR CERAMICS LIMITED
R.N.SHETTY
Chairman
(DIN 00038810)
S.S. HIREMATH
Director
(DIN 02272897)
SARVANI ALVA
Director
(DIN 06896403)

SATISH R. SHETTY
Managing Director & CEO
(DIN 00037526)

SUNIL R. SHETTY
Director
(DIN 00037572)

ANNAPPAYYA K.
Director
(DIN 03558522)

LAKSHMISHA BABU S.
Company Secretary

NAVEEN R. SHETTY
Director
(DIN 00058779)

SANKAPPA K. SHETTY
Director
(DIN 00894366)

N.M. HEGDE
Vice President (Finance) & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

Particulars		Notes	March 31, 2018	March 31, 2017
I	REVENUES:		₹ in lakhs	₹ in lakhs
	Revenue from operations	19	11,938.86	10,524.53
	Other Income	20	123.26	94.16
	Total Revenue		12,062.12	10,618.69
II	EXPENSES			
	Cost of materials consumed	21	3,390.10	2,623.83
	Changes in inventory of finished goods and work-in-progress	22	(517.57)	(295.44)
	Employee benefits expense	23	1,642.59	1,378.66
	Finance costs	24	1,871.00	1,685.30
	Depreciation and amortisation expenses	4	902.68	792.90
	Exceptional Item-Depreciation			
	Impairment of non current assets			
	Other expenses	25	4,263.23	4,186.88
	Total Expenses		11,552.03	10,372.13
III	Profit/(Loss) before tax (I - II)		510.09	246.56
IV	Tax Expense			
	Current Tax		107.51	66.25
	Prior period tax		-	-
	Deferred tax		9.37	114.86
	Less : MAT Credit Entitlement		(99.00)	(66.25)
	Total tax expenses		17.88	114.86
V	Profit/(Loss) for the year (III - IV)		492.21	131.70
VI	Other comprehensive income			
(a)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		24.24	4.78
	(ii) Income tax relating to items that will not be reclassified to profit & loss		(7.49)	(1.48)
	- Remeasurement of defined benefit plans			
(b)	(i) Items that may be reclassified to profit or loss			
	(ii) Income tax on items that may be reclassified to profit or loss			
	Total other comprehensive income		16.75	3.30
VII	Total comprehensive income for the period (V + VI)		508.96	135.00
	Earnings per equity share (for continuing operation):			
	Basic in Rs.		1.13	0.33
	Diluted in Rs.		1.07	0.31

In terms of our report attached
For **K A RAGHUPATHY & Co.,**
Chartered Accountants
ICAI FIRM REG No. : 011573S
K A RAGHUPATHY
Membership No : 218041
Place : Bengaluru
Date : 30-05-2018

For and on behalf of the Board of Directors
MURUDESHWAR CERAMICS LIMITED
R.N.SHETTY
Chairman
(DIN 00038810)
S.S. HIREMATH
Director
(DIN 02272897)
SARVANI ALVA
Director
(DIN 06896403)

SATISH R. SHETTY
Managing Director & CEO
(DIN 00037526)

SUNIL R. SHETTY
Director
(DIN 00037572)

ANNAPPAYYA K.
Director
(DIN 03558522)

LAKSHMISHA BABU S.
Company Secretary

NAVEEN R. SHETTY
Director
(DIN 00058779)

SANKAPPA K. SHETTY
Director
(DIN 00894366)

N.M. HEGDE
Vice President (Finance) & CFO

2A Reconciliation of equity as previously reported under Indian GAAP to Ind-AS ₹ in lakhs							
Particulars	Notes	As at March 31, 2017			As at April 1, 2016		
		IGAAP	Ind - AS Adjustment	Ind - AS	IGAAP	Ind - AS Adjustment	Ind - AS
ASSETS							
Non Current Assets							
Property, plant and equipment	4	30,942.22	(72.13)	30,870.09	27,754.17	66.62	27,820.79
Capital work-in-progress		169.13		169.13	1,912.75		1,912.75
Intangible assets							
Financial assets		86.48					
Trade Receivables							
Other Financial assets	5	390.29		390.29	390.29		390.29
Deferred tax Assets (net)							
MAT Credit	6	590.71		590.71	524.46		524.46
Other non-current Assets			(3.44)	83.04		86.48	86.48
Income Tax Assets (Net)							
Total Non-Current Assets (A)		32,178.83	(75.57)	32,103.26	30,581.67	153.10	30,734.77
Current Assets							
Inventories	7	10,360.17		10,360.17	10,329.34		10,329.34
Financial assets							
Trade Receivables	8	3,074.98		3,074.98	3,343.34		3,343.34
Cash and cash equivalents	9	599.13		599.13	714.65		714.65
Other financial assets							
Other currents assets	10	1,596.13	2.28	1,598.41	1,691.56	(89.57)	1,601.99
Total Current Assets (B)		15,630.41	2.28	15,632.69	16,078.89	(89.57)	15,989.32
Total Assets (A+B)		47,809.24	(73.29)	47,735.95	46,660.56	63.53	46,724.09
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	11	32,490.74	(104.37)	32,386.37	31,490.71	54.46	31,545.17
Other equity-(Money Received against Share Warrant)		381.15		381.15			
Total Equity		32,871.89	(104.37)	32,767.52	31,490.71	54.46	31,545.17
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings	12	2,691.88	1.90	2,693.78	2,627.54	(15.80)	2,611.74
Deferred Tax Liability	13	780.99	29.18	810.17	670.45	24.87	695.32
Trade payables	15	490.12		490.12	780.78		780.78
Provisions	14	9.49		9.49	101.89		101.89
Total non-current liabilities		3,972.48	31.08	4,003.56	4,180.66	9.07	4,189.73
Current liabilities							
Financial liabilities							
Trade Payables	15	2,136.13		2,136.13	2,360.75		2,360.75
Other financial liabilities	16	7,282.67		7,282.67	7,654.51		7,654.51
Other current liabilities	17	1,526.89		1,526.89	955.96		955.96
Provisions	18	19.18		19.18	17.97		17.97
Current Tax Liabilities (Net)							
		10,964.87		10,964.87	10,989.19		10,989.19
Total Equity and Liabilities		47,809.24	(73.29)	47,735.95	46,660.56	63.53	46,724.09

2B Reconciliation Statement of Profit and Loss		₹ in lakhs		
Particulars	Notes	Year ended March 31, 2017		
		IGAAP	Ind - AS Adjustment	Ind - AS
Revenue from operations	19	10,524.53	-	10,524.53
Other Income	20	89.22	4.94	94.16
Total Revenue		10,613.75	4.94	10,618.69
EXPENSES				
Cost of materials consumed / Purchase of tiles	21	2,623.83	-	2,623.83
Changes in inventory of finished goods and work-in-progress	22	(295.44)	-	(295.44)
Employee benefits expense	23	1,373.88	4.78	1,378.66
Finance costs	24	1,683.40	1.90	1,685.30
Depreciation and amortisation expenses	4	720.78	72.12	792.90
Impairment expenses/losses		-	-	-
Other expenses	25	4,182.26	4.62	4,186.88
Total Expenses		10,288.71	83.42	10,372.13
Profit/(Loss) before tax		325.04	(78.48)	246.56
Tax Expenses				
Current Tax		66.25	-	66.25
Less : MAT Credit Entitlement		(66.25)	-	(66.25)
Deferred tax		85.68	29.18	114.86
Total tax expense		85.68	29.18	114.86
Profit/(Loss) for the year		239.37	(107.67)	131.70
Other comprehensive income.				
(a) (i) Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans				
(ii) Income tax relating to items that will not be reclassified to profit and loss				
- Remeasurement of defined benefit plans		-	4.78	4.78
Tax on above		-	(1.48)	(1.48)
(b) (i) Items that may be reclassified to profit or loss				
(ii) Income tax on items that may be reclassified to profit or loss				
Total other comprehensive Income		-	3.30	3.30
Total comprehensive income for the period (V + VI) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		239.37	(104.37)	135.00

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

Murudeshwar Ceramics Limited (the Company) was established during the year 1983. The Company is manufacturing Ceramic and Vitrified 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, Pondichery. The Company started trading activities for outsourcing of Vitrified Tiles and Ceramic Tiles. 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 and Companies (Indian Accounting Standards) Amendments Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

2. Use of estimates and judgement

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, 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.

3. Income

- i) Sales are net of returns and exclusive of taxes. Sales are accounted for on dispatch basis.
- ii) Other Income is accounted on accrual basis.

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 improve the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Depreciation commences when the assets are ready for their intended use

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Plant and Machinery, in

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

whose 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

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

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.

6. Inventories :

Finished goods are valued at lower of cost or market value. Cost is inclusive of all overheads (including interest) incurred by the Company in bringing the goods to the finished stage. Raw materials, components and spare parts are valued at average cost. Average cost is calculated at weighted cost per unit after taking into account receipts at actual cost. Consumption and / or other stock diminution are accounted for at the aforesaid weighted cost.

7. Investments :

Investments are valued at cost and income thereon is accounted for when received.

8. Gratuity :

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.

9. Bonus :

Minimum Bonus payable as per the Payment of Bonus Act has been provided in the accounts.

10. 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.

11. Deferred Income 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.

12. 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, which are not at fair value through Statement of Profit and Loss, are added to the fair value on initial recognition.

13. 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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

15. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand.

**16. FIRST-TIME ADOPTION – MANDATORY EXEMPTIONS, OPTIONAL EXEMPTIONS
DISCLOSURES REQUIRED AS PER INDIAN ACCOUNTING STANDARD (IND AS) 101- FIRST TIME ADOPTION
OF INDIAN ACCOUNTING STANDARD TRANSITION TO IND AS**

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the Company's date of transition)

In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP') except in case of optional exemptions and mandatory exemptions availed as under

a. Exemption availed

Carrying amount of such investments in associates as on transition date has been taken as deemed cost.

b. Exceptions applied

• Estimates

The estimates at 1st April 2016 and 31st March 2017 are consistent with estimates made for the same date in accordance with IGAAP.

• Classification and measurement of financial assets

The company has classified the financial assets in accordance with IND AS 109 on the basis of facts and conditions existed on IND AS transition date.

Note : 3 Notes on IND AS Adjustments

- a) Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurement of defined benefit plans the concept of other comprehensive income did not exist under previous GAAP.
- b) The Company has valued financial assets/liabilities at fair value which hitherto were accounted for at cost. Impact of fair value changes as on the date of transition, is recognized in opening reserves and changes thereafter are recognized in Statement of Profit and Loss.
- c) Under Ind AS, re-measurement of net defined benefit liabilities i.e., actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of statement of profit or loss. Under the previous GAAP, this re-measurement was forming part of the profit or loss for the year.
- d) Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. .

The following reconciliations provide quantifications of the effect of significant differences arising as a result of transition from Previous GAAP (IGGAP) to IND AS in accordance with IND AS 101.

- (a) Balance Sheet as at 1st April, 2016 (Transition date);
- (b) Other Equity as at 1st April, 2016 (Transition date);
- (c) Balance Sheet as at 31st March, 2017;
- (d) Other Equity as at 31st April, 2017; and
- (e) Statement of Profit and Loss for the year ended 31st March, 2017; and
- (f) Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)										
NOTE : 4 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS										
Changes in the carrying value of property, plant and equipment for the year ended March 31, 2018 (₹ in lakhs)										
Particulars	Property, Plant and Equipment									
	Leasehold Improvements	Building	Plant and Equipment	Computers	Office Equipment	Furniture & Fixtures	Vehicles	Total		
Gross carrying value as of April 1, 2017	8,070.69	8,296.86	14,969.34	7.30	6.93	147.56	164.32	31,663.00		
Additions	-	168.17	25.36	6.44	0.53	-	2.55	203.05		
Deletions	-	-	-	-	-	-	12.60	12.60		
Gross carrying value as of March 31, 2018	8,070.69	8,465.03	14,994.70	13.74	7.46	147.56	154.27	31,853.45		
Accumulated depreciation as of April 1, 2017	-	178.13	580.57	1.30	1.31	12.50	19.09	792.90		
Depreciation	-	188.64	679.21	4.03	1.38	9.68	19.74	902.68		
Accumulated depreciation on deletions	-	-	-	-	-	-	10.67	10.67		
Accumulated depreciation as of March 31, 2018	-	366.77	1,259.78	5.33	2.69	22.18	28.16	1,684.91		
Carrying value as of March 31, 2018	8,070.69	8,098.26	13,734.92	8.41	4.77	125.38	126.11	30,168.54		
Changes in the carrying value of property, plant and equipment for the year ended March 31, 2017										
Particulars	Property, Plant and Equipment									
	Leasehold Improvements	Building	Plant and Equipment	Computers	Office Equipment	Furniture & Fixtures	Vehicles	Total		
Gross carrying value as of April 1, 2016	8,017.86	7,705.19	11,800.31	1.50	5.66	142.51	147.76	27,820.79		
Additions	52.83	591.68	3,169.03	5.80	1.26	5.04	16.56	3,842.20		
Deletions	-	-	-	-	-	-	-	-		
Gross carrying value as of March 31, 2017	8,070.69	8,296.87	14,969.34	7.30	6.92	147.55	164.32	31,662.99		
Accumulated depreciation as of April 1, 2016	-	-	-	-	-	-	-	-		
Depreciation	-	178.13	580.57	1.30	1.32	12.49	19.09	792.90		
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-		
Accumulated depreciation as of March 31, 2017	-	178.13	580.57	1.30	1.32	12.49	19.09	792.90		
Carrying value as of March 31, 2017	8,070.69	8,118.74	14,388.77	6.00	5.60	135.06	145.23	30,870.09		

The Company has elected to use fair value of its total assets in its Opening Ind AS Balance Sheet (as at April 01 2016) as deemed cost. Accordingly, the Assets are carried at fair value of ₹27,820.43 lakhs, Carrying amount reported under previous GAAP was ₹27,753.99 lakhs. The difference between the fair value and carrying amount reported under previous GAAP of ₹ 66.44 lakhs has been taken to Retained Earnings as at April 01, 2016 (Transition Date).

The fair value of the above mentioned assets as at April 01, 2016 has been arrived at, on the basis of a valuation carried out as at March 31, 2016 by Mr. Mohan R Chabbi, Chartered Engineer registered with the Institution of Engineers (India), having appropriate qualification and experience in the valuation of Property, Plant and Equipment after considering various factors like present market price, replacement cost, technical depreciation and obsolescence factors and residual life of assets.

For the land, the fair value was derived using the market approach considering the prevailing market rate in the vicinity of the subject land parcel and also considering available details of recent transactions of similar land parcels adjusted for factors such as negotiation margin, land use, road location etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
Note : 5 OTHER FINANCIAL ASSETS
₹ in lakhs

Particulars	As at 31-03-2018				As at 31-03-2017			
	Equity Instruments	Govt. & Trust Securities	Debenture & Bonds	Total	Equity Instruments	Govt. & Trust Securities	Debenture & Bonds	Total
Investments in								
a) Subsidiaries								
b) Associates	374.80	-	-	374.80	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	376.80	0.49	13.00	390.29	376.80	0.49	13.00	390.29
Quoted Investments Market Value								
Unquoted Investments Impairment	376.80	0.49	13.00	390.29	376.80	0.49	13.00	390.29

Note : 6 OTHER NON CURRENT ASSETS
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
(i) Capital Advances/Prepaid Rent	(3.71)		
(ii) Advances other than Capital Advances Security Deposits	89.49	-	-
Others MAT Credit			
Opening Balance	590.71	524.46	506.05
Add : Provided for the year	99.00	66.25	18.41
Closing Balance	689.71	590.71	524.46
Total	775.49	590.71	524.46

NOTE : 7 INVENTORIES
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Raw Materials	2,740.31	2,252.06	2,628.71
Work in Progress	2,507.06	2,950.45	2,785.23
Finished Goods	4,558.66	3,709.80	3,527.01
Stock in Trade	156.44	218.44	271.02
Stores and Spares	1,217.55	1,228.23	1,116.47
Loose Tools	-	1.19	0.90
Others	-	-	-
Total	11,180.02	10,360.17	10,329.34

NOTE : 8 TRADE RECEIVABLES
₹ in lakhs

Trade receivable outstanding for a period exceeding six months from the date they were due for payment			
Secured, considered good	1,111.38	313.04	267.12
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	1,111.38	313.04	267.12
Other Trade receivables			
Secured, considered good	2,144.36	2,761.94	3,076.22
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	2,144.36	2,761.94	3,076.22
Less : Provision for doubtful trade receivables	-	-	-
	2,144.36	2,761.94	3,076.22
	3,255.74	3,074.98	3,343.34
Note : Trade receivables include debts due from :			
Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Private companies in which any director is a director or member			
RNS Infrastructure Limited	1,710.76	819.40	2,265.99
Naveen Hotels Ltd.,	19.77	87.98	110.89
	1,730.53	907.38	2,376.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 9 CASH AND CASH EQUIVALENTS
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Balances with bank (of nature Cash and Cash Equivalents)			
Earmarked Funds	94.32	34.21	27.46
Margin Money	278.67	380.79	430.77
Cheques/Drafts on hand			
Cash on hand	13.40	19.15	19.70
Others - (Current Account)	50.76	164.98	236.72
Total	437.15	599.13	714.65

NOTE : 10 OTHER CURRENT ASSETS
₹ in lakhs

(i) Capital Advances			
(ii) Advances other than Capital Advances			
Security Deposits	514.54	520.52	473.61
Interest Accrued on Deposits	88.32	74.97	63.28
(iii) Loans and advances to employees			
Secured, considered good			
Unsecured, considered good	220.94	162.83	208.06
Doubtful	-	-	-
(iv) Balances with government authorities			
Unsecured, considered good			
(i) GST Credit	30.19	-	-
(ii) PLA & Cenvat Credit	3.09	394.98	260.26
(iii) VAT credit receivable	19.66	19.70	21.08
(iv) Service Tax credit receivable	9.36	15.84	47.40
(v) Income Tax Refund Receivable	171.22	209.66	124.04
	233.52	640.18	452.78
(v) Prepaid expenses - Unsecured, considered good	9.53	64.58	46.71
(vi) Others - Advances			
Secured, considered good			
For supply of goods and rendering services	416.31	121.17	271.93
Advance Payment of Income Tax (Net of provision Income Tax)	(22.85)	14.16	85.62
	393.46	135.33	357.55
Less : Provision for other doubtful loans	-	-	-
	393.46	135.33	357.55
Total	1,460.31	1,598.41	1,601.99

NOTE : 11 STATEMENT OF CHANGES IN EQUITY
₹ in lakhs

Particulars	Equity Share Capital	Other Equity				Ind AS Transition Reserve	Total Equity Attributable to equity holders of the Company
		Reserves & Surplus					
		Securities Premium	Retained Earnings	General Reserve	Other Items		
Balance as of April 1, 2016 (Refer Note(a) below)	4,082.17	11,184.53	1,813.14	12,795.85	1,615.02	54.46	31,545.17
Changes in equity share capital	214.00	492.20					706.20
Profit for the year			239.37				239.37
Remeasurement of the net defined benefit liability/asset, net of tax effect			(104.37)				(104.37)
Dividends (including Corporate Dividend Tax)							

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 11 STATEMENT OF CHANGES IN EQUITY (Contd.)
₹ in lakhs

Particulars	Equity Share Capital	Other Equity				Ind AS Transition Reserve	Total Equity Attributable to equity holders of the Company
		Reserves & Surplus					
		Securities Premium	Retained Earnings	General Reserve	Other Items		
Balance as of March 31, 2017	4,296.17	11,676.73	1,948.14	12,795.85	1,615.02	54.46	32,386.37
Changes in equity share capital	225.00	517.50					742.50
Profit for the year			508.96				508.96
Remeasurement of the net defined benefit liability/asset, net of tax effect							
Interim Dividend							
(Including Corporate Dividend Tax)							
Final Dividend							
(Including Corporate Dividend Tax)							
Balance as of March 31, 2018	4,521.17	12,194.23	2,457.11	12,795.85	1,615.02	54.46	33,637.84

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

(a) Note on Equity Reconciliation as on the date of Transition as of April 1, 2016 :

Consequent to transaction to Ind AS, the reconciliation of net profit and other comprehensive income is provided as under, in accordance with the requirements of para 32 of Ind AS 101 - First time adoption of Ind AS.

Particulars	March 31, 2017	April 1, 2016
Retained Earning as Previously reported in IGAAP	239.37	157.03
Adjustments :		
Discounting of Security Deposit	(0.32)	
Effect of changes in employee benefits		
Effect of change in Borrowing cost	1.90	
Effect of change in Deferred Tax	30.66	24.87
Effect of change in Actuarial gain / loss on Employee benefit in other Comprehensive Income		
Effect of depreciation on revaluation of assets	72.13	
Retained Earnings as per Ind AS	135.00	132.16

NOTE : 12 BORROWINGS
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Bonds and Debentures			
Term Loans			
From Banks			
Secured	2,584.19	2,007.67	2,075.83
Unsecured			
From Others	638.76	684.21	551.71
Change in EIR (IND AS)	-	1.90	(15.80)
Deposits			
Loans from Related parties			
Long term maturities of Finance lease obligations			
Liability component of Compound Finance Instruments			
Other Loans			
Total	3,222.95	2,693.78	2,611.74

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 13 OTHER NON-CURRENT LIABILITIES
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Deferred Payment Liabilities	819.54	810.17	695.32
Total	819.54	810.17	695.32

NOTE : 14 PROVISIONS
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Employee Benefits	17.80	9.49	101.89
Others	-	490.12	780.78
Total	17.80	499.61	882.67

NOTE :15 TRADE PAYABLES
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Trade payables :			
Acceptances	427.69	385.61	866.10
Other than Acceptances	1,530.36	2,240.64	2,275.43
Total	1,958.05	2,626.25	3,141.53

NOTE : 16 OTHER FINANCIAL LIABILITIES
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Bonds and Debentures			
Loans repayable on demand from Banks :			
From Banks			
Secured	7,141.41	7,282.67	7,654.51
Unsecured	-	-	-
Total	7,141.41	7,282.67	7,654.51

The Cash Credit and other working capital facilities from the consortium of Bankers namely, Canara Bank, State Bank of India, Bank of Baroda, The Lakshmi Vilas Bank Ltd., Oriental Bank of Commerce 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 second & subsequent charge on the whole of the immovable / Fixed Assets of the Company. These borrowings are further secured by way of Personal Guarantees by Promoter Directors of the Company to the extent applicable.

NOTE : 17 OTHER CURRENT LIABILITIES
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Advances from Customers	280.46	811.90	378.53
Unpaid Dividends			4.64
Deposits	70.47	71.97	74.87
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax etc)	266.35	96.42	112.53
(ii) Contractually reimbursable expenses	1.34	5.84	3.48
(iii) Salary & Wages Payable	308.05	218.84	160.97
(iv) Outstanding Liabilities for Expenses	138.94	321.92	216.46
(v) Interest accrued on borrowings			4.48
Total	1065.61	1526.89	955.96

NOTE : 18 PROVISIONS
₹ in lakhs

Particulars	As at 31-03-2018	As at 31-03-2017	As on 01-04-2016
Employee Benefits	61.82	19.18	17.97
Others	-	-	-
Total	61.82	19.18	17.97

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 19 REVENUE FROM OPERATIONS
₹ in lakhs

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a)	Sale of products	7,690.20	7,216.55
(b)	Sale of services	4,387.56	3,829.37
(c)	Other operating revenues	0.23	9.58
		12,077.99	11,055.50
	Less :		
(d)	Excise duty	139.13	530.97
	Total	11,938.86	10,524.53
Note			
(i)	Sale of products comprises MANUFACTURED GOODS		
	Ceramic Tiles	0.47	1.15
	Vitrified Tiles	6,316.87	5,754.50
	Total - Sale of manufactured goods	6,317.34	5,755.65
	TRADED GOODS		
	Vitrified Tiles	873.18	781.93
	Ceramic Wall Tiles	499.68	678.97
	Total - Sale of traded goods	1,372.86	1,460.90
	Total - Sale of products	7,690.20	7,216.55
(ii)	Sale of services comprises		
	Service - Earth Work	3,742.12	2,158.43
	Service - Road Work	645.44	1,670.94
	Total - Sale of services	4,387.56	3,829.37
(iii)	Other operating revenues comprise :		
	Sale of Scraps	0.23	9.58
	Total - Other operating revenues	0.23	9.58

NOTE : 20 OTHER INCOME
₹ in lakhs

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a)	Interest income	42.39	45.73
(b)	Dividend income : associates	74.47	44.68
(c)	Other non-operating income (net of expenses directly attributable to such income)	6.40	3.75
	Total	123.26	94.16
Note			
(i)	Interest income comprises :		
	Interest from banks on : deposits	42.39	45.73
	Total - Interest income	42.39	45.73
(ii)	Other non-operating income comprises :		
	Insurance Claim received	2.96	3.75
	Profit on sale of fixed assets (net of expenses directly attributable prior period items (net)	1.64	-
	Miscellaneous income (net of expenses directly attributable)	1.80	-
	Total - Other non-operating income	6.40	3.75

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
NOTE : 21 COST OF MATERIALS CONSUMED
₹ in lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock	2,252.06	2,628.71
Add : Purchases	2,055.34	1,043.89
	4,307.40	3,672.60
Less : Closing Stock	2,740.31	2,252.06
Cost of material consumed	1,567.09	1,420.54
Material consumed comprises :		
Clay	1,419.44	1,235.51
Glaze & Pigments	68.25	59.98
Packing Material	79.06	123.92
Other items	0.34	1.13
Total	1,567.09	1,420.54

PURCHASE OF TRADED GOODS

Traded goods - Vitrified Tiles	1,508.79	662.25
Traded goods - Ceramic Wall Tiles	314.22	541.04
Total	1,823.01	1,203.29
Grand Total	3,390.10	2,623.83

NOTE : 22 CHANGES IN INVENTORY OF FINISHED GOODS & WORK-IN-PROGRESS
₹ in lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
INVENTORIES AT THE END OF THE YEAR :		
Finished goods	4,558.66	3,697.28
Work-in-progress	2,507.06	2,950.45
Stock-in-trade	156.43	230.97
	7,222.15	6,878.70
INVENTORIES AT THE BEGINNING OF THE YEAR :		
Finished Goods	3,523.16	3,579.59
Work-in-progress	2,950.45	2,785.23
Stock-in-trade	230.97	218.44
	6,704.58	6,583.26
Net (Increase) / decrease	(517.57)	(295.44)

NOTE : 23 EMPLOYEE BENEFITS EXPENSE
₹ in lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages	1,022.87	827.16
Contributions to provident fund and other funds	71.38	63.15
Staff welfare expenses	517.55	483.58
Defined Benefit Obligation - Gratuity	17.65	-
Defined Benefit Obligation - Leave Encashment	13.14	4.77
Total	1,642.59	1,378.66

NOTE : 24 FINANCE COSTS

(a) Interest expenses on :		
(i) Borrowings	1,231.68	1,176.55
(ii) Trade payables	354.58	263.47
(iii) Others	-	-
- Security deposits	4.21	6.26
(b) Other borrowing costs	280.53	239.02
Total	1,871.00	1,685.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
Note : 25 OTHER EXPENSES

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
	(₹ in Lakhs)	(₹ in Lakhs)
Consumption of stores and spare parts	344.31	509.34
Consumption of loose tools	-	0.02
Increase / (decrease) of excise duty on Inventory	11.56	39.67
Subcontracting	507.56	428.66
Power and Fuel	2,126.15	1,717.43
Rent including lease rentals	134.50	142.16
Repairs and maintenance - Buildings	11.42	10.63
Repairs and maintenance - Machinery	22.18	23.45
Repairs and maintenance - Others	65.18	109.78
Insurance	169.28	135.12
Rates and taxes	117.47	91.84
Communication	26.68	29.78
Travelling and conveyance	282.66	284.99
Printing and stationery	16.42	24.17
Freight and forwarding	282.88	435.62
Sales commission	16.82	14.64
Sales discount	6.26	11.42
Business promotion	0.85	1.36
Donations and contributions	0.71	1.00
Legal and professional	20.41	16.58
Payments to auditors	6.75	6.00
Directors Sitting Fees	2.55	3.15
Advertisement & Publicity	2.20	2.95
Sales Promotion Expenses	0.13	0.80
Selling & Distribution expenses-Others	28.64	30.37
Security charges	15.30	21.79
Loss on fixed assets sold / scrapped	1.08	-
Miscellaneous expenses	43.28	94.16
Total	4,263.23	4,186.88
Notes		
(i) Payments to the Auditors comprises		
As auditors - statutory audit	3.75	3.00
For taxation matters	0.50	0.50
For management services	0.50	0.50
Reimbursement of expenses	2.00	2.00
TOTAL	6.75	6.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note : 26 Disclosures under Accounting Standards

26.1 Employee benefit plans

26.1.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.40.58 lakhs** (Year ended 31st March, 2017 Rs.38.58 lakhs) for Provident Fund contributions and **Rs.13.35 lakhs** (Year ended 31st March, 2017 Rs.8.64 lakhs) 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.

26.1.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	Year ended
		31st March 2018	31st March 2017
		Gratuity	Gratuity
A	Change in Defined Benefit Obligations (DBO) during the year		
	Defined Benefit Obligation at the beginning of the year	243.30	218.78
	Current service cost	14.56	17.12
	Interest Expense	18.48	17.33
	Benefit Payment from Plan Assets	(9.61)	(9.54)
	Remeasurement - Due to Financial Assumptions	(3.02)	8.02
	Remeasurement - Due to Experience Adjustments	(13.98)	(8.42)
	Present value of DBO at the end of the year	249.72	243.30
B	Change in fair Value of Plan Assets during the year		
	Fair Value of Plan Assets at the beginning of the year	198.58	162.12
	Interest Income	15.39	13.53
	Actual company contributions	29.50	37.00
	Employers Contribution	(1.93)	(4.53)
	Benefit Payments from Plan Assets	(9.62)	(9.54)
	Plan assets at the end of the year	231.92	198.58
	Actual return on plan assets	14.56	17.12
C	Components of Defined Cost		
	Current service cost	14.56	17.12
	Interest Expenses on DBO	18.48	17.33
	Interest (income) on Plan Assets	(15.39)	(13.53)
	Total Net Interest Cost	3.09	3.80
	Defined Benefit Cost included in P & L	17.65	20.93
	Remeasurement - Due to Financial Assumptions	(3.02)	8.02
	Remeasurement - Due to Experience Adjustments	(13.98)	(8.42)
	(Return) on Plan Assets (Excluding Interest income)	1.93	4.53
	Total Remeasurements in OCI	(15.08)	4.13
	Total Defined Benefit Cost recognised in P & L and OCI	2.58	25.06
D	Amount Recognised in the Statement of Financial Position		
	Defined Benefit Obligation	249.72	243.30
	Fair Value of Plan Assets	231.92	198.58
	Fund Status	17.80	44.72
	Effect of Assets Ceiling / Onerous Liability	-	-
	Net Defined Benefit Liability/(Assets)	17.80	44.72

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

Note	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
		Gratuity	Gratuity
E	Net Defined Benefit Liability/(Assets) Reconciliation		
	Net Defined Benefit Liability/(Assets) at beginning of the year	44.72	56.66
	Defined Benefit Cost included in P & L	17.65	20.93
	Total Remeasurements included in OCI	(15.08)	4.13
	Employers Contributions	(29.50)	(37.00)
	Net Defined Benefit Liability/(Assets) at end of the year	17.80	44.72
	Weightage Average Asset Allocation at the year end	-	-
	Government Bonds	-	-
	PSU bonds	-	-
	Equity Mutual funds	-	-
	Insurance Policies	100%	100%
	Actuarial assumptions		
	Discount rate	7.50%	7.75%
	Salary escalation	6.00%	6.00%

Note 27 Additional Information to the Financial Statements

Note	Particulars		
27.1	Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2018	As at 31st March 2017
(i)	Contingent liabilities	(₹ in Lakhs)	(₹ in Lakhs)
	(a) Claims against the Company not acknowledged as debt (give details)	-	-
	(b) Guarantees	364.79	279.91
	(c) Letters of Credit established with Banks	2,444.68	2,659.80
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	175.54	41.68
		175.54	41.68
27.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	46.38	56.97
	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.		
27.3	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 31.03.2018
			Maximum Balance Outstanding during the year
			(₹ in Lakhs)
	Murdeswar Power Corporation Ltd.	Group Companies	297.88
	RNS Power Ltd.,	Group Companies	76.92
			(₹ in Lakhs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

As at 31st March 2018		As at 31st March 2017	
Payable	Payable in Foreign Currency	Payable	Payable in Foreign Currency
(₹ in Lakhs)	(indicate amount with Currency)	(₹ in Lakhs)	(indicate amount with Currency)
42.38	US\$ 65,200	65.56	US\$ 96,413

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
		(₹ in Lakhs)	(₹ in Lakhs)
27.4	Value of imports calculated on CIF basis :		
	Raw Materials	734.48	117.25
	Components	111.52	132.93
	Spare parts	61.75	104.25
	Total Components and spare parts	173.27	237.18
	Capital goods	11.55	342.07
27.5	Expenditure in foreign currency :		
	Travel	-	-

Note	Particulars	For the year ended 31st March 2018	
		(₹ in Lakhs)	%
27.6	Details of consumption of imported and indigenous items		
	IMPORTED		
	Raw materials	440.20 (546.21)	67.21 (61.77)
	Components	102.25 (174.86)	15.61 (19.77)
	Spare parts	112.55 (163.21)	17.18 (18.46)
	TOTAL	655.00 (884.28)	100.00 (100.00)
	INDIGENOUS		
	Raw materials	1,126.89 (874.34)	89.69 (83.62)
	Components	57.31 (74.32)	4.56 (7.11)
	Spare parts	72.20 (96.97)	5.75 (9.27)
	TOTAL	1,256.40 (1,045.63)	100.00 (100.00)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note : 28 Disclosures under Accounting Standards (Contd.)

Note	For the Year ended 31st March, 2018					
28.1	Segment information					
	The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Ceramic Tiles and Vitrified Tiles. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada) and South American countries, Europe, India and others.					
		For the Year ended 31st March, 2018				
	PARTICULARS	Business Segments				Total
		Ceramic Tiles	Vitrified Tiles	Trading	Services	
		(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
	Revenue	0.88	6,316.69	1,372.86	4,387.56	12,077.99
	Inter-segment revenue	-	-	-	-	-
	Total	0.88	6,316.69	1,372.86	4,387.56	12,077.99
	Less : Central Excise	0.01	139.12	-	-	139.13
	Net Revenue	0.87	6,177.57	1,372.86	4,387.56	11,938.86
	Segment result	(64.44)	145.40	53.68	298.02	432.66
	Unallocable expenses (net)	-	-	-	-	-
	Operating income	-	-	-	-	77.43
	Other income (net)	-	-	-	-	-
	Profit before taxes	-	-	-	-	510.09
	Tax expense	-	-	-	-	116.88
	Net profit for the year	-	-	-	-	393.21
	Segment assets	2,730.05	41,445.01	675.66	1,857.50	46,708.22
	Unallocable liabilities	-	-	-	-	-
	Total assets	2,730.05	41,445.01	675.66	1,857.50	46,708.22
	Segment liabilities	1,200.95	10,566.76	277.42	952.72	12,997.85
	Unallocable liabilities	-	-	-	-	-
	Total liabilities	1,200.95	10,566.76	277.42	952.72	12,997.85
	OTHER INFORMATION					
	Capital expenditure (allocable)	1,529.10	30,878.25	398.24	904.78	33,710.37
	Capital expenditure (unallocable)	-	-	-	-	-
	Depreciation and amortisation (allocable)	21.44	628.66	-	252.58	902.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

GN 6.13 Note 28 Disclosures under Accounting Standards (Contd.)

Ref.No.	Note	Particulars		
AS 18 GN 6.15	28.2	Related party transactions		
		Details of related parties:		
		Description of Relationship		
AS 18.21		Group Companies	M/s. RNS Infrastructure Ltd . M/s. Murdeshwar Power Corporation Ltd. M/s. Naveen Hotels Ltd. RNS Motors Ltd. R N Shetty Trust R N S Trust R N S Power Ltd.,	
AS 18.23		Key Management Personnel (KMP)	Dr. R N Shetty Shri Satish R Shetty Shri Sunil R Shetty Shri Naveen R Shetty Smt. Sudha R Shetty	
		Relatives of KMP	Shri Satish R Shetty, Shri Sunil R Shetty and Shri Naveen R Shetty are Sons of Dr. R N Shetty Smt. Sudha R Shetty is wife of Dr. R N Shetty	
		Company in which KMP / Relatives of KMP can exercise significant influence	Above mentioned Group Companies	
		Note : Related parties have been identified by the Management.		
		Details of related party transactions during the year ended 31st March, 2018 and balances outstanding as at 31st March, 2018	Group Companies	Relatives of Key Management Personnel
				Total
AS 18.23		Purchase of goods	203.23 (11.52)	203.23 (11.52)
		Sale of goods	731.74 (79.70)	731.74 (79.70)
		Purchase of Fixed Assets	3.26 (-)	3.26 (-)
		Sale of Fixed Assets	1.34 (-)	1.34 (-)
		Rendering of services : - RNS Infrastructure Limited	4,123.25 (2,115.26)	4,123.25 (2,115.26)
		Receiving of services	2.00 (2.70)	2.00 (2.70)
		Dividend Received	74.47 (44.68)	74.47 (44.68)
		Balances outstanding at the end of the year		
		Trade receivables	1,492.49 (368.51)	1,492.49 (368.51)
		Trade payables	42.18 (55.89)	42.18 (55.89)
		Note : Figures in brackets relates to the previous year		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
Note 28 : Disclosures under Accounting Standards (Contd.)

Note	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
		(₹)	(₹)
28.3	Earnings per share Basic		
28.4	Continuing operations Net profit / (loss) for the year from continuing operations Less : Preference dividend and tax thereon	5,08,95,695 -	1,34,99,926 -
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders Weighted average number of equity shares	5,08,95,695 -	1,34,99,926 -
	Par value per share	4,52,03,922 10	4,29,53,922 10
	Earnings per share from continuing operations - Basic	1.13	0.31
		(₹ in Lakhs)	(₹ in Lakhs)
28.5	Deferred tax (liability) / asset Tax effect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets	810.17 180.39	695.31 296.18
	On expenditure deferred in the books but allowable for tax purposes	-	-
	On items included in "Reserves and surplus pending amortisation into the Statement of Profit and Loss	-	-
	Others	-	-
	Tax effect of items constituting deferred tax liability	180.39	296.18
	Tax effect of items constituting deferred tax assets Provision for compensated absences, gratuity and other employee benefits	7.49	1.48
	Provision for doubtful debts / advances	-	-
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	-	-
	On difference between book balance and tax balance of fixed assets	163.52	179.84
	Unabsorbed depreciation carried forward	-	-
	Brought forward business losses	-	-
	On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	-	-
	Others	-	-
	Tax effect of items constituting deferred tax assets	163.52	179.84
	Net deferred tax (liability) / asset	819.55	810.17

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Deferred Tax		
Deferred Tax Reconciliation :	01.04.2016	
Deferred Tax Assets / Liabilities	670.45	
Add : DTL on upward revaluation of PPE	19.98	
Add : DTL recognition on Financial Liabilities (net of processing fees)	4.88	
Opening DTL on convergence to IND AS	695.31	
Deferred Tax		
Particulars	31.03.2018	31.03.2017
Opening Balance	810.17	695.31
A. Temporary differences on asset base due to Depreciation	180.39	296.18
B. Deferred Tax Assets Provision for Gratuity	7.49	1.48
Provision for leave encashment		
VRS		
Unabsorbed depreciation / Loss	163.52	179.84
Closing Balance	819.55	810.17
Net deferred tax (liability) / asset		
<p>The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.</p> <p>Effect of IND AS adoption on Standalone Statement of Profit and Loss for year ending 31.03.2017</p>		
Particulars	31.03.2017	
Net Profit as per GAAP	325.05	
Add : Income due to unwinding of Interest on Security deposit	4.94	
Less : Increase in Finance cost due to EIR	1.90	
Less : Increase in Depreciation due to fair valuation	72.13	
Less : Increase in Rent due to unwinding of Security Deposit	4.62	
Other Comprehensive Income		
Re-measurement of defined benefit plans - actuarial gains/ losses	3.35	
Tax expense on above	1.43	
Net Profit as per IGAAP	246.56	

**CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
FOR THE PERIOD FROM APRIL 2017 to MARCH 2018**

(₹ in lakhs)

	2017 - 2018		2016 - 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before tax and extraordinary items	492.21		131.70	
Adjustments for :				
Depreciation	902.68		792.90	
Interest paid	1,231.68		1,176.55	
Preliminary Expenses Written off	-		-	
Loss on Sale of fixed assets	1.08		-	
Profit on sale of Assets	(1.64)		-	
Interest Income on Investments	(42.39)		(40.79)	
Dividend received	(74.47)		(44.68)	
Remeasurement of defined benefit Plans	16.75		3.30	
Operating profit before working capital changes	2,525.90		2,018.98	
Adjustments for :				
Increase/(Decrease) in Other Long Term Liabilities	9.37		114.86	
Decrease/(increase) in Inventories	(819.85)		(30.84)	
Decrease/(Increase) in Trade receivables	(180.74)		268.35	
Increase/(Decrease) in Trade Payables	(669.55)		(515.27)	
Decrease/(Increase) in Short term loans & advances	-		-	
Decrease/(Increase) in Other Current Assets	47.28		(73.39)	
Decrease/(Increase) in Long term loans & advances	(101.74)		(66.25)	
Increase/(decrease) in Other Current Liabilities	(418.62)		572.13	
Increase/(decrease) in Short Term Provisions	8.31		(92.40)	
Cash generated from operations	400.36		2,196.17	
Taxes paid	92.15		80.41	
Net cash from Operating Activities (before extra-ordinary item)		492.51		2,276.58
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets	(485.01)		(2,098.59)	
Sale of Fixed Assets	0.56		-	
Interest received	42.39		40.79	
Dividend received	74.47		44.68	
Purchase of Investment	-		-	
Net cash flow from investing activities		(367.59)		(2,013.12)

**CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET
FOR THE PERIOD FROM APRIL 2017 to MARCH 2018 (Contd.)**

(₹ in lakhs)

	2017 - 2018		2016 - 2017	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Long term Borrowings repaid	529.18		82.05	
Short term Borrowings repaid	(141.27)		(371.84)	
Proceeds from issue of Share Capital	742.50		706.20	
Issue of Share Warrants	(185.63)		381.15	
Dividend paid	-		-	
Interest paid	(1,231.68)		(1,176.55)	
Net Cash used in Financial activities		(286.90)		(378.99)
Net Increase/(Decrease) in cash and cash Equivalents		(161.98)		(115.52)
Cash and Cash Equivalents as at 01.04.2017		599.13		714.65
Cash and Cash Equivalents as at 31.03.2018		437.15		599.13

NOTES TO THE CASH FLOW STATEMENT

CASH AND CASH EQUIVALENT :

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

	<u>2017-18</u>	<u>2016-17</u>
Cash on hand and balances with Banks	437.15	599.13
Short Term investments	-	-
Cash and cash equivalents effect of changes in Exchange rates	-	-
Cash and cash equivalents as restated	437.15	599.13

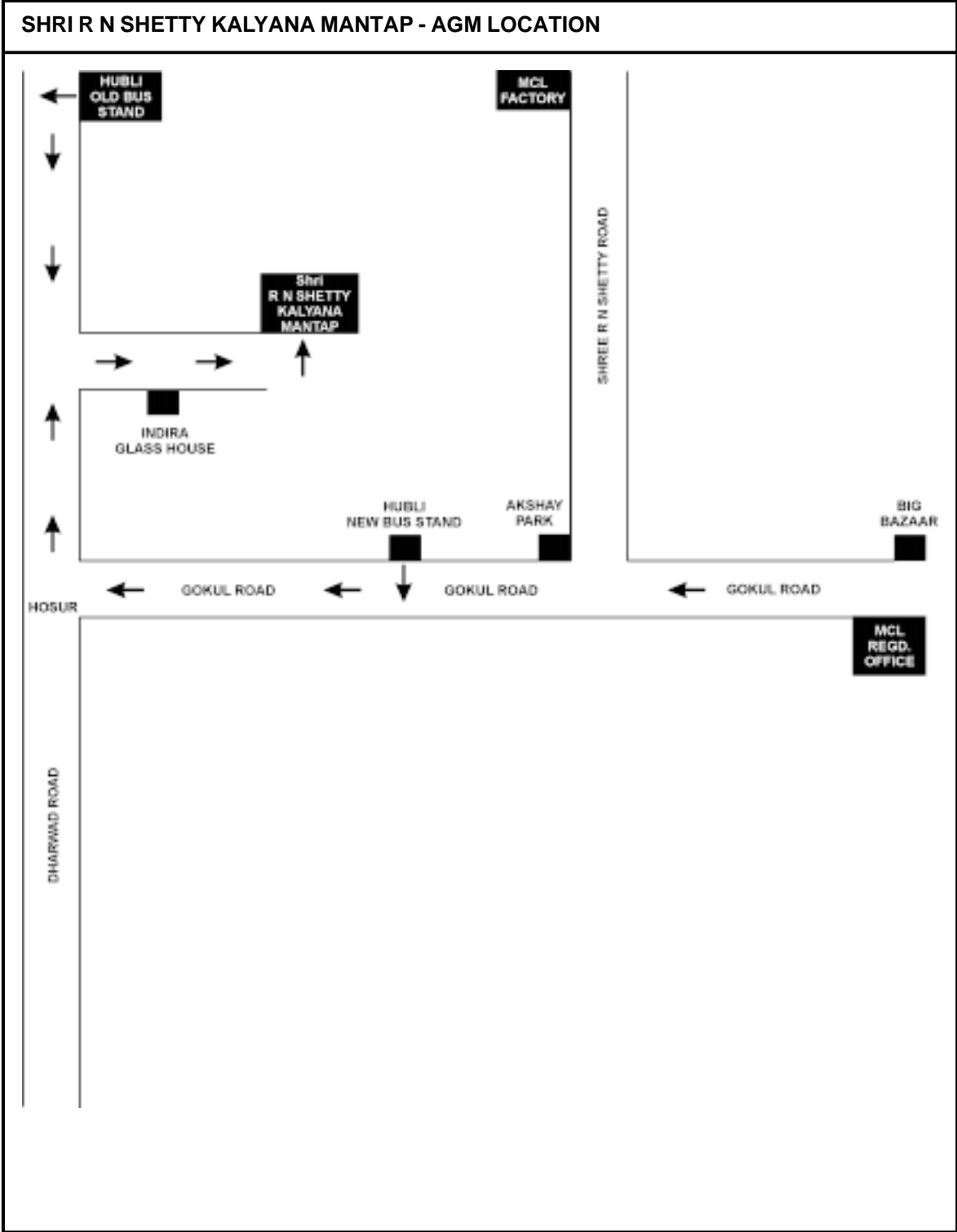
By Order of the Board For MURUDESHWAR CERAMICS LIMITED			
R.N.SHETTY Chairman (DIN 00038810)	SATISH R. SHETTY Managing Director & CEO (DIN 00037526)	SUNIL R. SHETTY Director (DIN 00037572)	NAVEEN R. SHETTY Director (DIN 00058779)
S.S. HIREMATH Director (DIN 02272897)	ANNAPPAYYA K. Director (DIN 03558522)		SANKAPPA K. SHETTY Director (DIN 00894366)
Place : Bengaluru Date : 30-05-2018	SARVANI ALVA Director (DIN 06896403)	LAKSHMISHA BABU S. Company Secretary	N.M. HEGDE Vice President (Finance) & CFO

CERTIFICATE

We have examined the above Cash Flow Statement of Murudeshwar Ceramics Ltd., for the year ended 31.03.2018 and certify that the said statement has been prepared by the Company in accordance with Accounting Standard-3 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 the Profit & Loss Account and Balance Sheet of the Company for the year ended on 31.03.2018.

Place : Bengaluru
Date : 30-05-2018

For K.A.RAGHUPATHY & CO.,
Chartered Accountants
ICAI FIRM REGN. No. : 011573S
(K.A.RAGHUPATHY)
Partner
Membership No:218041



MURUDESHWAR CERAMICS LIMITED

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

CIN:L26914KA1983PLC005401

35th 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 Friday, September 28th, 2018 at 4 P.M at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubli - 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, Hubli - 580 030

CIN: L26914KA1983PLC005401

35th 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, Hubli - 580 030
Name of the Member	:
Registered Address	:
E-mail ID	:
Regd. Folio No. / Client ID / : DP ID	:

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

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

As my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held on Friday, September 28, 2018 at 4 P.M at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubli - 580 029 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl.No.	RESOLUTIONS	Optional*	
		For	Against
	Ordinary Business		
1	Adoption of Financial Statements for the year ended 31st March, 2018		
2	Re-appointment of Shri Sunil Rama Shetty (DIN : 00037572) who retires by rotation		
3	Ratification of appointment of M/s. K A Raghupathy & Co., (Firm Registration No.011573S) Chartered Accountants, Bengaluru as the Statutory Auditors of the Company		
	Special Business		
4	Regularisation of Additional Director, Mr. Karan Satish Shetty, by appointing him as Director (Executive Director) of the Company		
5.	To appoint and fix remuneration of Mr. Karan Satish Shetty (DIN : 0008168200) as the Whole Time Director of the Company		

Signed this day of2018

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 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.