

EXXARO TILES LIMITED

CIN:L26914GJ2008PLC052518

Regd. Office & Unit-2:

Survey No. 169 & 170, Vavdi Harsol Road,
At & Po.: Mahelav, Taluka: Talod,
Sabar Kantha - 383 305, Gujarat, India.

Unit:1

Block No. 204/205, Opp. Hanuman Temple,
Nr. Mahuvad Turning, At & Po. Dabhasa,
Tal. Padara, Dist. Vadodara - 391440, Gujarat, India.



Dated: 10th August 2022

BSE Limited Corporate Relations Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Security Code: 543327	National Stock Exchange of India Ltd. Corporate Relations Department Exchange Plaza, Block G,C/1, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 Symbol: EXXARO
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Dear Sir/Madam,

Sub: Submission of Annual Report - 2021-22 of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2021-22 along with notice being sent to the shareholders for the 15th Annual General Meeting to be held on Saturday, the 17th September 2022 at 02:00 P.M. IST through Video Conferencing/ Other Audio Visual Means (VC/OAVM).

The Annual Report containing the Notice is also uploaded on the Company's website www.exxarotiles.com.

We are requested to kindly take the same on record.

Thanking You

Yours Faithfully

Exxaro Tiles Limited

For Exxaro Tiles Limited

Company Secretary

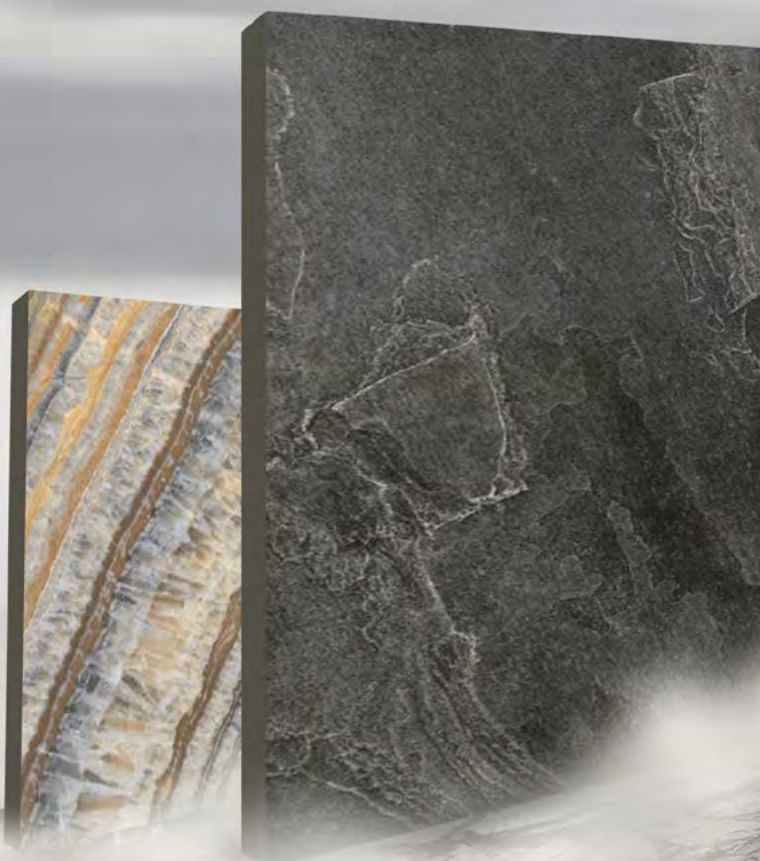
Mr. Paras Shah

Company Secretary & Compliance Officer

Mem No: ACS50733

Enclose: as above

Growing and Unlocking Potential



ANNUAL REPORT
I 2021-22



BSE LISTING EVENT

During the year, the Company had successfully made its Initial Public Offer (IPO) and received a tremendous response from the market. The issue was subscribed 22.65 times, with the QIB portion getting subscribed by 17.00 times, the non-institutional portion by 5.36 times and the retail portion by 40.00 times. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on August 16, 2021. The trading of Equity Shares of the Company commenced on BSE Limited and National Stock Exchange of India Limited on August 16, 2021. The success of IPO reflects the trust, faith and confidence that investors, customers, business partners and markets have reposed in your Company.

BSE
EXPERIENCE THE NEW

exaro
TILES
Naye Bharat ki nayi pehchan



A modern interior space featuring a light-colored sofa with patterned cushions on the left, a black floor lamp, and a large window on the right with a wooden chair and a low concrete ledge. The background wall has a pattern of circular motifs. The text 'WHAT'S INSIDE' is overlaid on a dark grey rectangular area.

WHAT'S INSIDE

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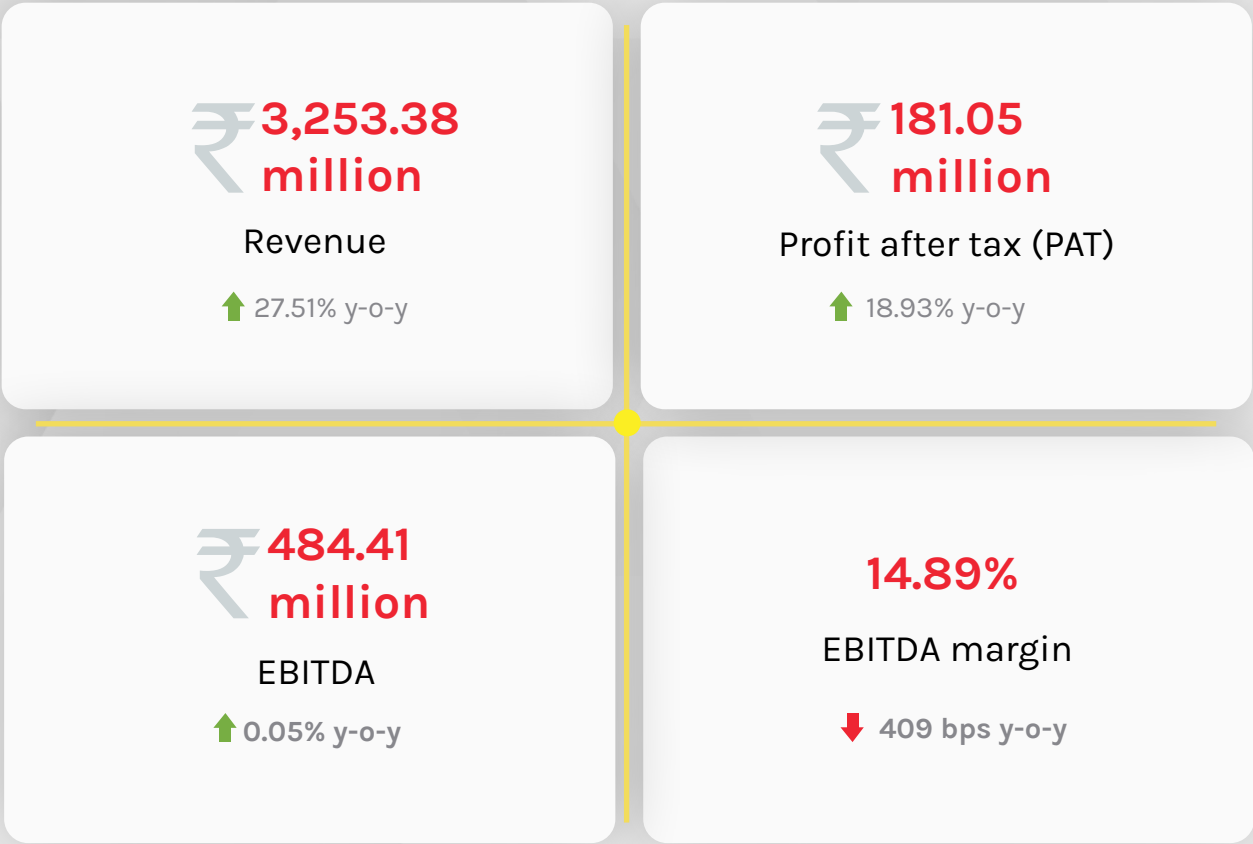
● Statutory Report

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FY2022 HIGHLIGHTS



Forward-looking statement

The Report contains forward-looking statements, which may be identified by their use of words such as ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ or other words of similar meaning. All statements that address expectations, projections about the future, including, but not limited to, statements about the Company’s strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified the information independently.

GROWING AND UNLOCKING POTENTIAL

Value Creation and growth have been regarded as important components of every organization’s success narrative. Every product manufactured is carefully chosen and designed leading towards a better lifestyle and consumer experience thereby raising the industry standards. Thus, a legacy is being built over the years which symbolizes superiority and perseverance.

Since inception, Exxaro has remained committed to a culture of continuous innovation that has created the foundation for success. With the aim of becoming the industry leader and one of the most trusted brand, Exxaro seeks to build on its success and make it stronger for the future.

At Exxaro, we strive to focus on creating the best designs with integrated technology and deliver products which are visually appealing to our customers. We have been relentless in our pursuit of expansion and focused on ensuring consistent growth through capacity expansion, enhanced product profile, and greater emphasis on quality standards and customer-centricity.

We strive to expand the Company across different horizons and touch more lives while increasing our value proposition. It’s a journey wherein we are constantly focusing on scaling operations, penetrating distribution network, product development and better consumer awareness.

Our clear strategic focus has enabled us to gain market share and enhance our profitability. We look ourselves as a company which is well positioned to expand more quickly and sustainably over time.

OUR WORLD AT EXXARO

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

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

EXXARO TILES IN NUMBERS

1.32 lakh sq. m
Production capacity
per annum

1,000+
Designs

2,000+
Dealers

2
Manufacturing facilities

25 states
Domestic presence

10 countries
Export presence

Our Vision —

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



Our Belief —

A touch of quality in our relations



Our Mission —

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



Values

- Discipline: We are focused and disciplined in our business activities.
- Integrity: We conduct our business with utmost honesty and transparency.
- Responsibility: We deliver what we promise.
- Quality: We seek continuous improvement in all that we do.



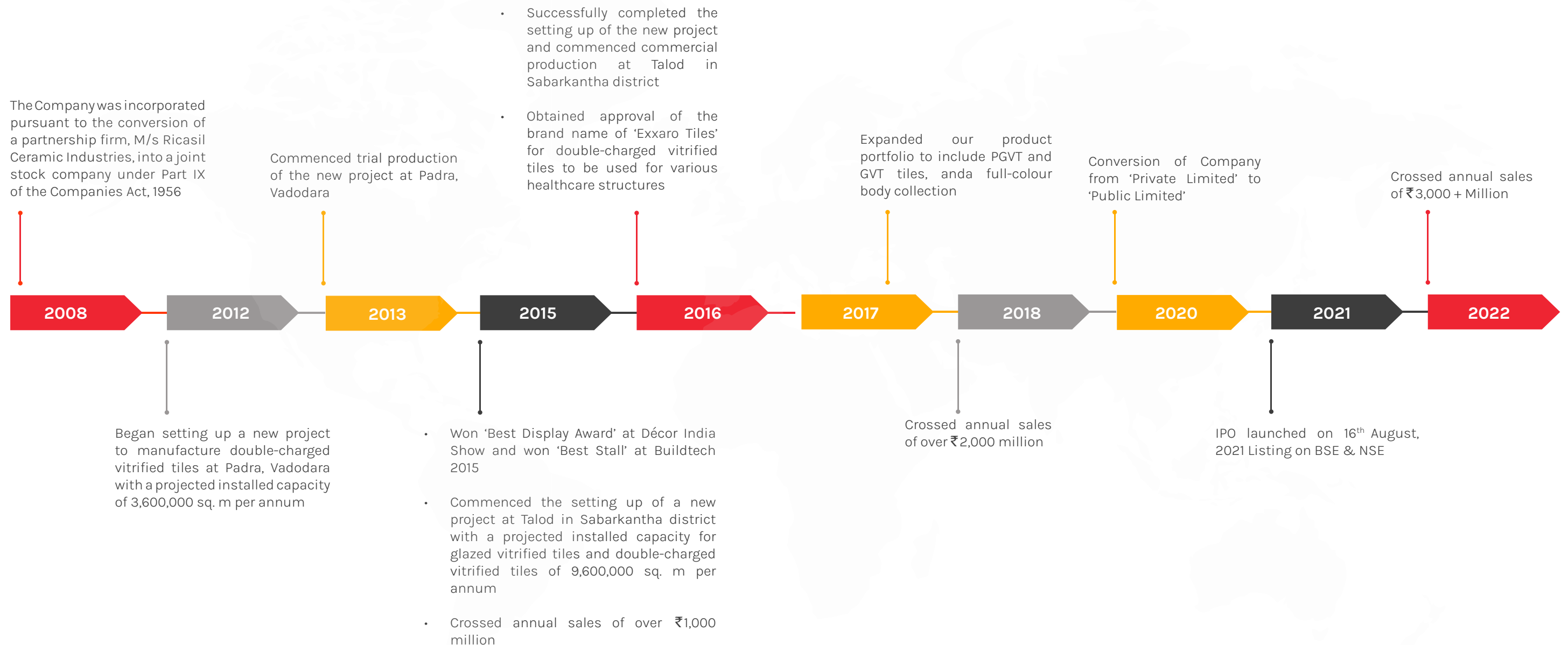
Focus areas

- Strengthening our design and research capabilities yields global competitiveness.
- Product Innovation as per Industry Standard.
- Quality and customer focus.
- Continuous improvement.
- Teamwork.
- Higher employee retention rate.

Recognitions



THE JOURNEY WE BEGAN...

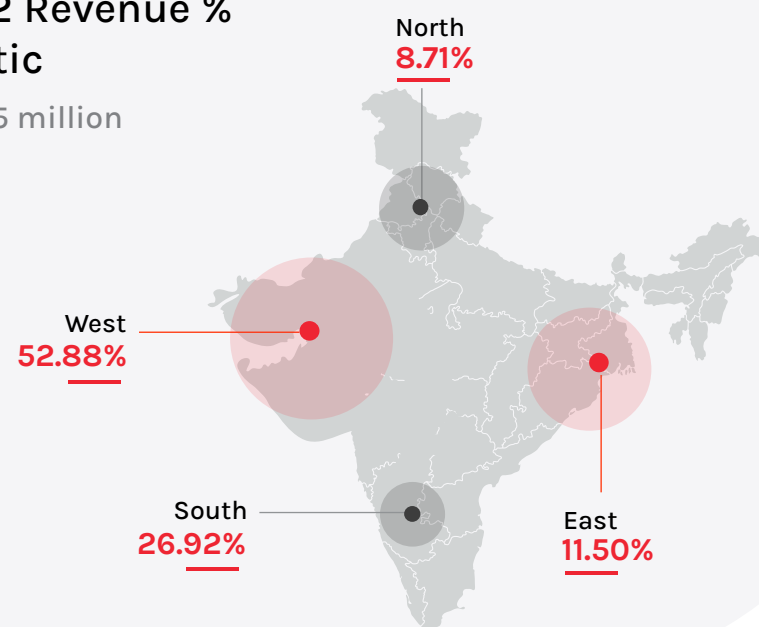


EXPLORING NEW FRONTIERS

We are driven by the aspiration to consistently grow and scale operations. Our ability to provide superior quality and attractive products as well as understand and deliver as per the needs of our customers makes us a preferred partner in domestic & global markets. With our two manufacturing facilities in Gujarat, we have taken the 'Exxaro' brand across 10 countries globally.

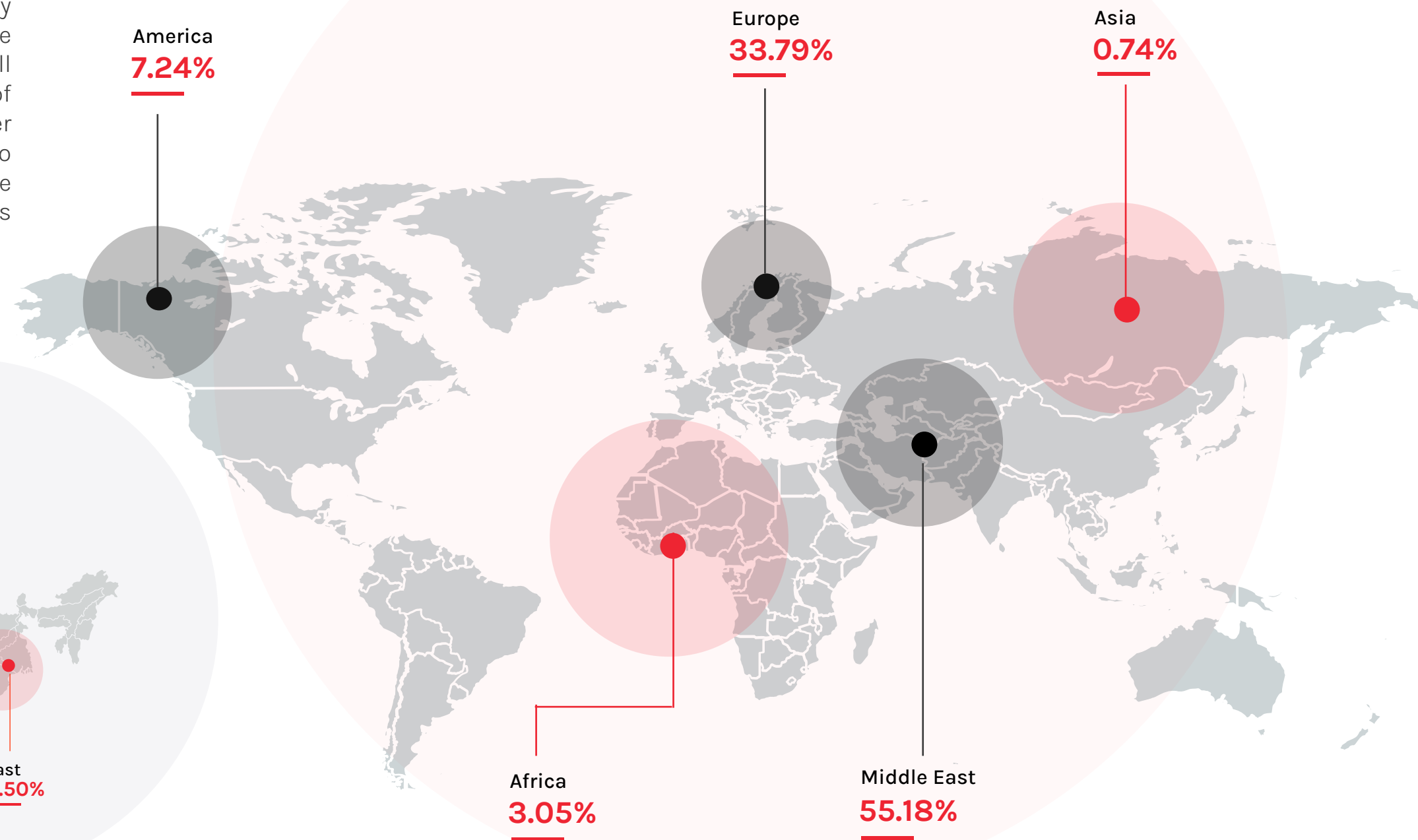
FY 2022 Revenue % Domestic

₹ 3,188.05 million



FY 2022 Revenue % Global

₹ 65.33 million



ADVANTAGEOUSLY POSITIONED TO SATISFY THE HIGH DEMAND

The company's constant investment in state-of-the-art technology has made its manufacturing processes more efficient, opened up new possibilities for product use and made the development of new products faster and more effective, such that consumers are constantly surprised by its innovative solutions and cutting edge designs. To better support customers in high-growth product categories, we are investing in additional manufacturing capacity to satisfy expanding market demand with new production lines and facilities strategically positioned to improve our service and increase our sales. We have two multi-purpose facilities in Padra (Vadodara district) and Talod (Sabarkantha district) in Gujarat, spread across 1.32 lakh sq. m. They are equipped with modern machinery that allow us to custom manufacture tiles in various sizes to suit our customers' needs.

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



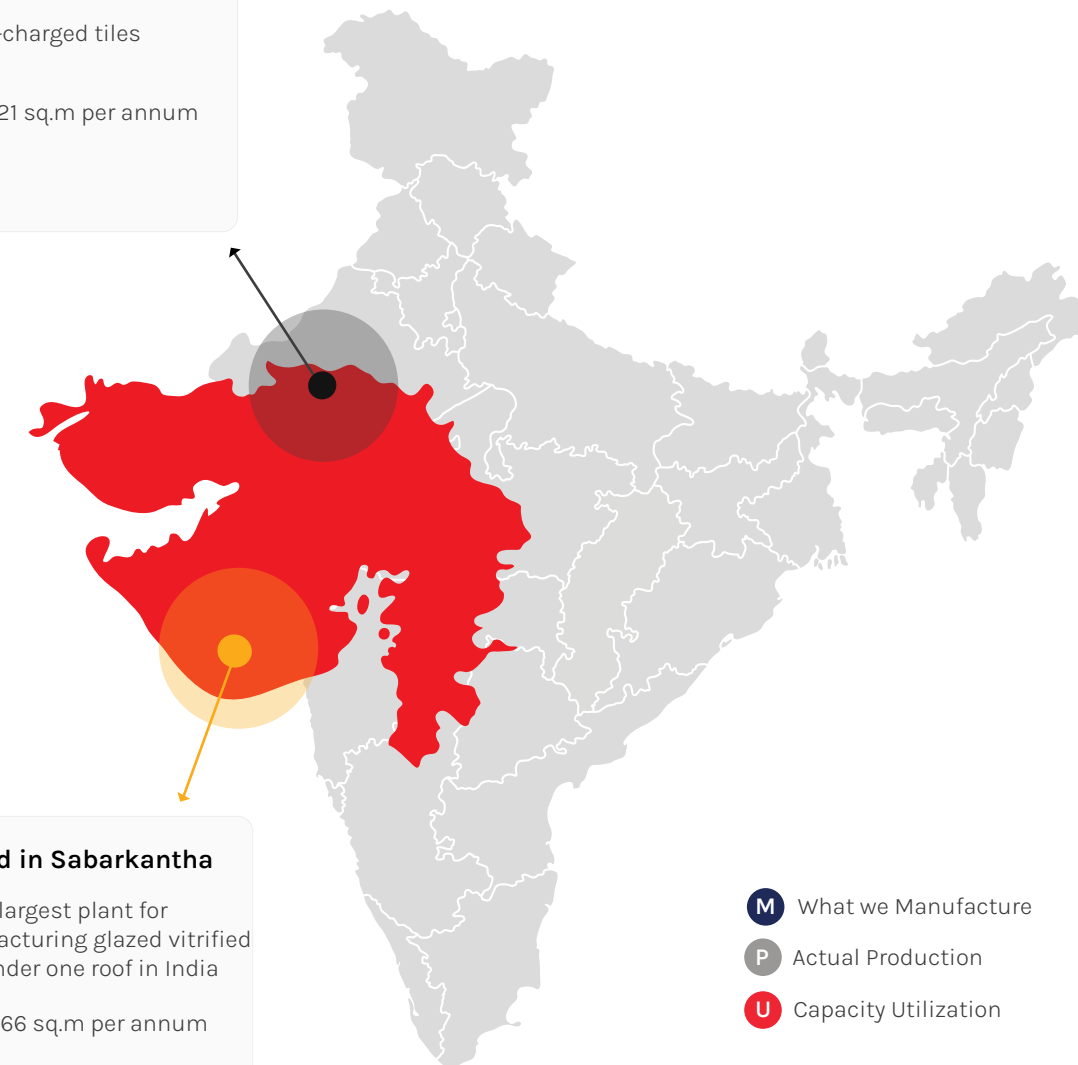
Unit 1 Padra in Vadodara

- M** Double-charged tiles
- P** 30,82,421 sq.m per annum
- U** 85.62%

Unit 2 Talod in Sabarkantha

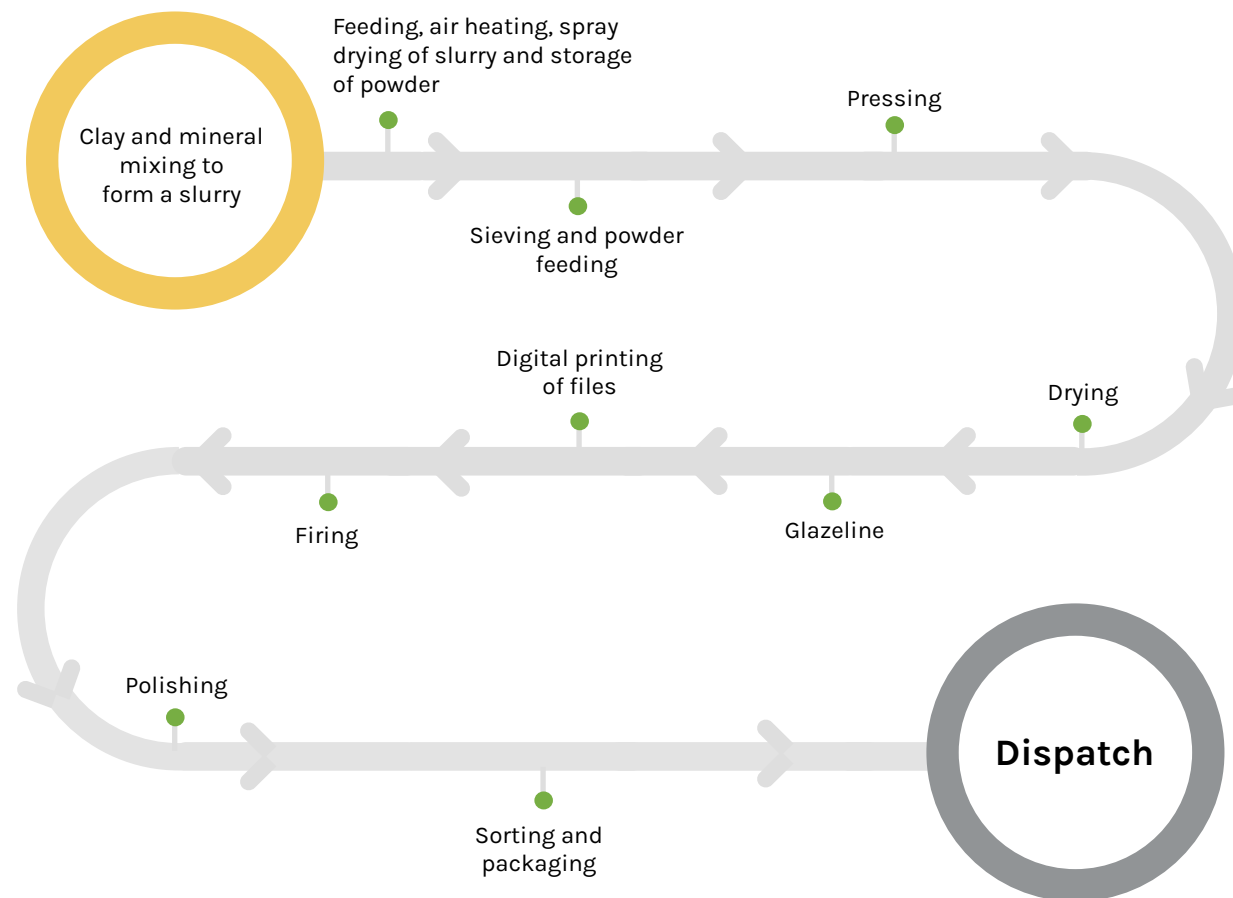
- M** Single largest plant for manufacturing glazed vitrified tiles under one roof in India
- P** 76,36,266 sq.m per annum
- U** 79.54%

- M** What we Manufacture
- P** Actual Production
- U** Capacity Utilization

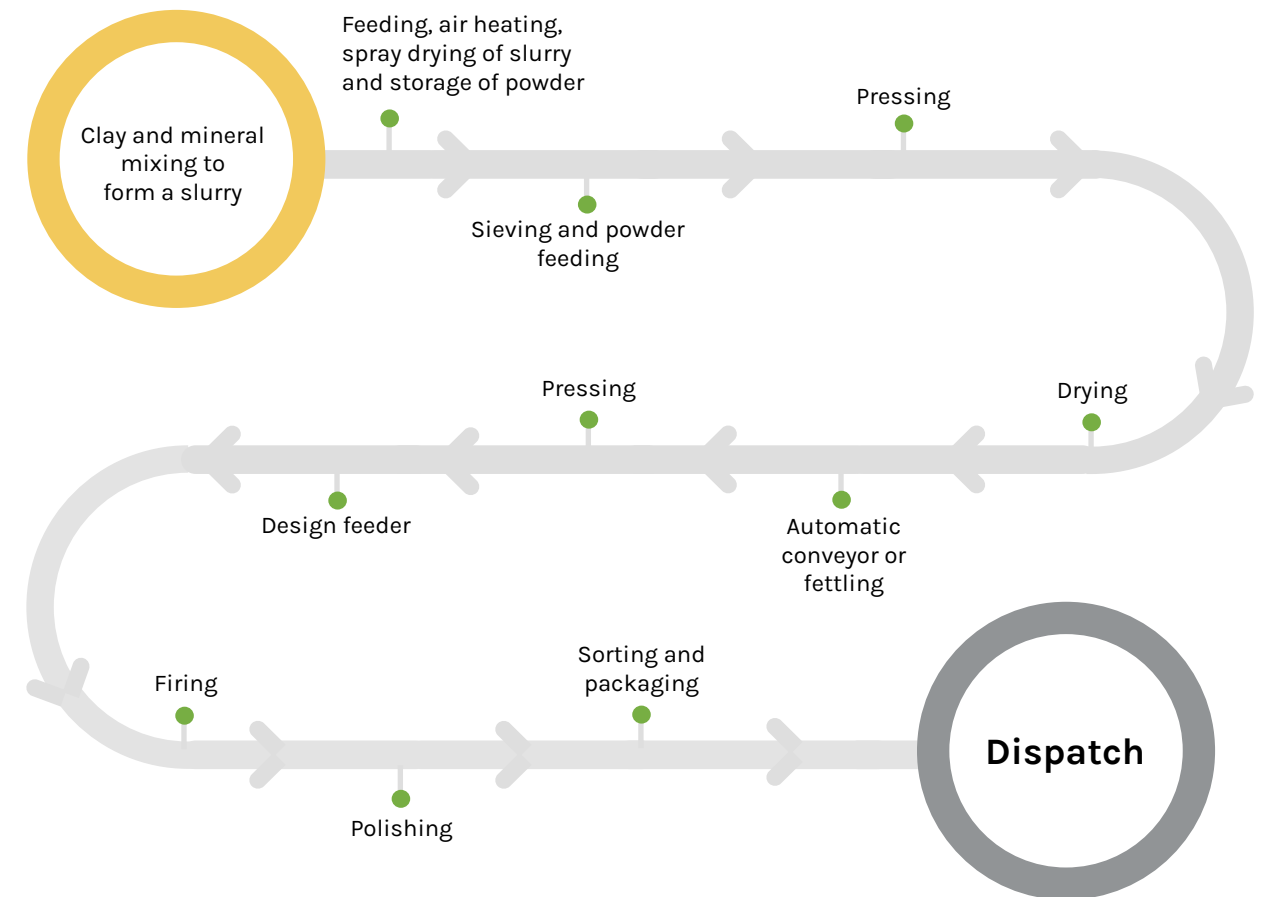


MANUFACTURING PROCESS

Glazed vitrified tiles



Double-charge vitrified tiles



DRIVING GROWTH THROUGH DIFFERENTIATION

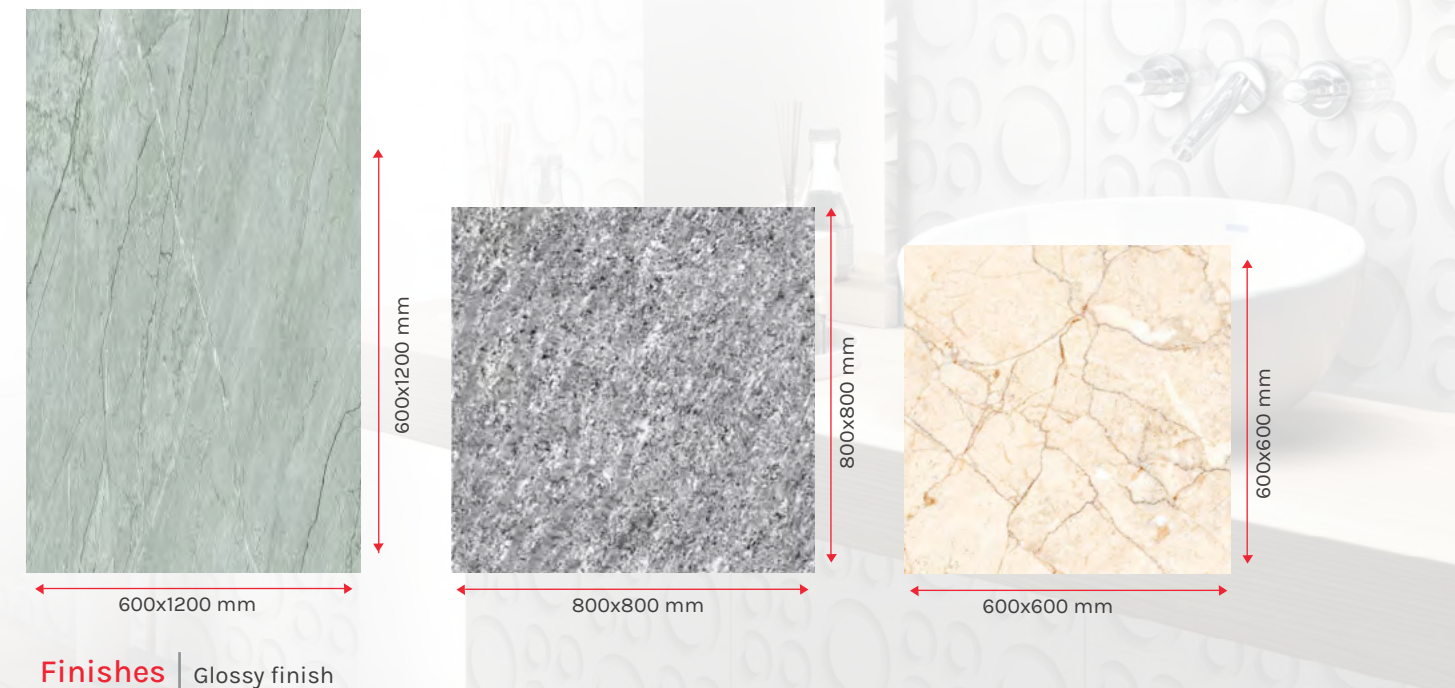
Tiles do not form just the strong foundation for your home or office; they also add aesthetic value to the space. We strive to offer a lifestyle which appeals to everyone. The ever-changing aspirations, dynamic tastes and preferences of our customers have been aligned with our product offerings. Our flooring designs reflect our purpose to continuously serve the customers and become an integral part of their life.



DOUBLE CHARGED VITRIFIED TILES

The tiles are fed through a process that prints the pattern with a double layer of pigment and double charge finish. The product is durable and best suited for heavy traffic areas as they are much thicker than the other types of tiles

Available Size:



Revenues in FY2022

Glaze Vitrified Tile
1,963.01 million

Double Charged
960.63 million

INDIA'S FIRST

3D
EFFECT IN
DOUBLE CHARGE

FGVT
TILES

MORE THAN
95%
GLOSSY TILES

BIGGEST
COLLECTION IN
DOUBLE CHARGE

FULL
COLORBODY
VITRIFIED TILES

4 LAYER
NANO+
MICRO POLISHED TECH
HIGH GLOSS VITRIFIED TILES

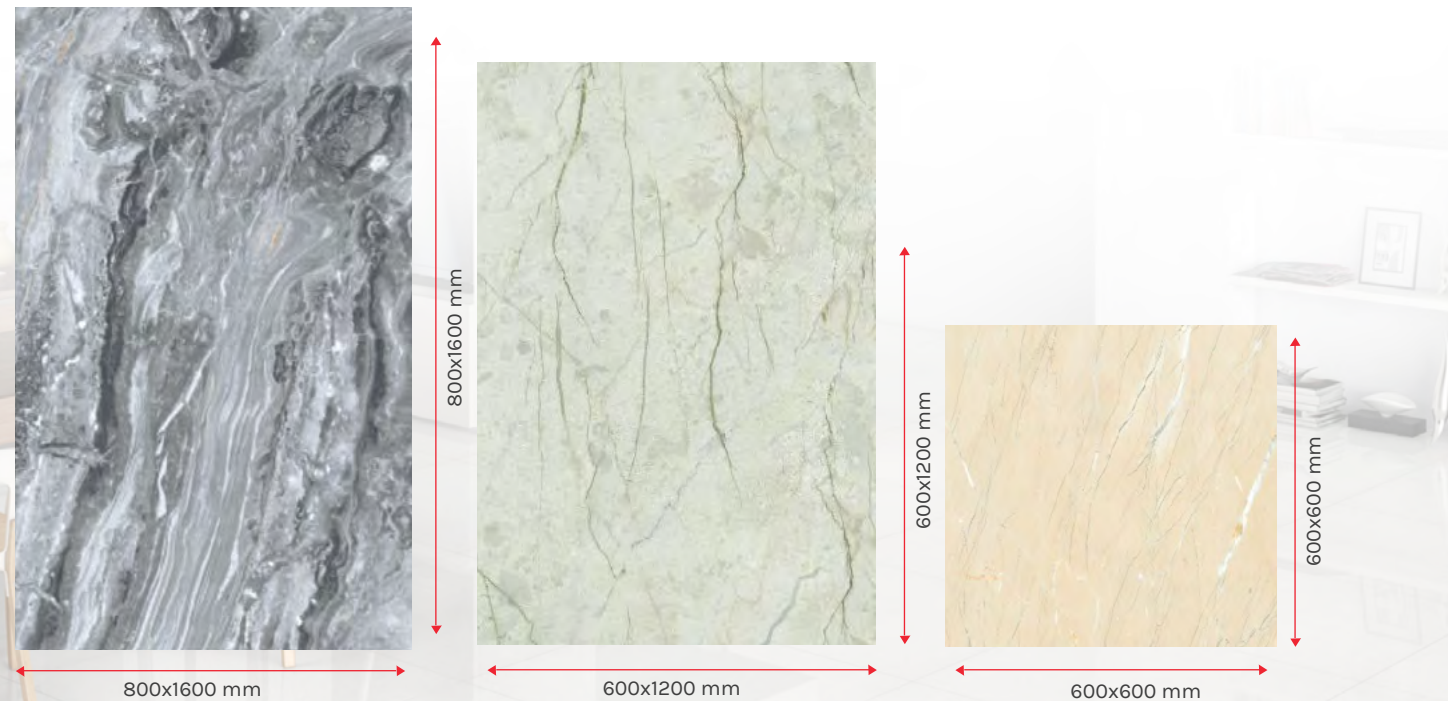
Applications & Solutions



FLAT GLAZED VITRIFIED TILES

The surface of these tiles comprise of full body tiles that uses an unique flat technology to give less waviness and more clarity in designs using colours which are resistant to light

Available Size:

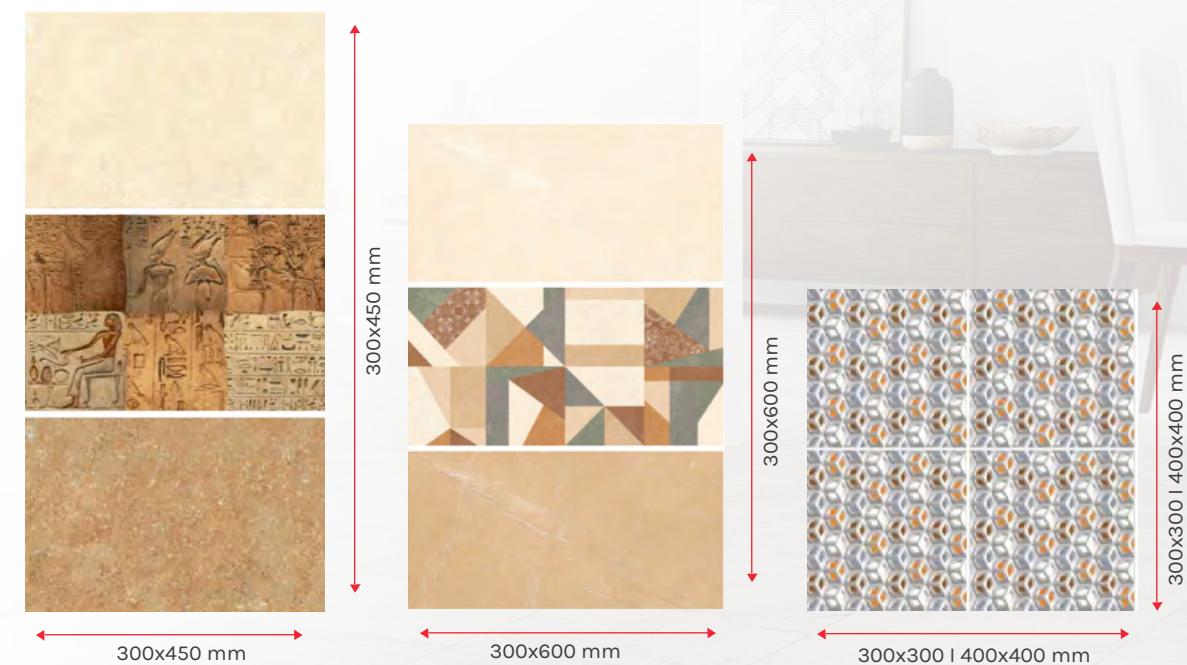


Finishes: High Gloss, Rocker Finish, Butter Finish, Matt Finish, Sugar Finish, Book Match, Glossy Finish, 3D series

DIGITAL WALL TILES

In publishing and graphic design, Lorem ipsum is a placeholder text commonly used to demonstrate the visual form of a document or a typeface without relying on meaningful content. Lorem ipsum may be used as a placeholder before final copy is available.

Available Size:



Finishes: High Gloss, Rocker Finish, Butter Finish, Matt Finish, Sugar Finish, Book Match, Glossy Finish, 3D series

Applications & Solutions



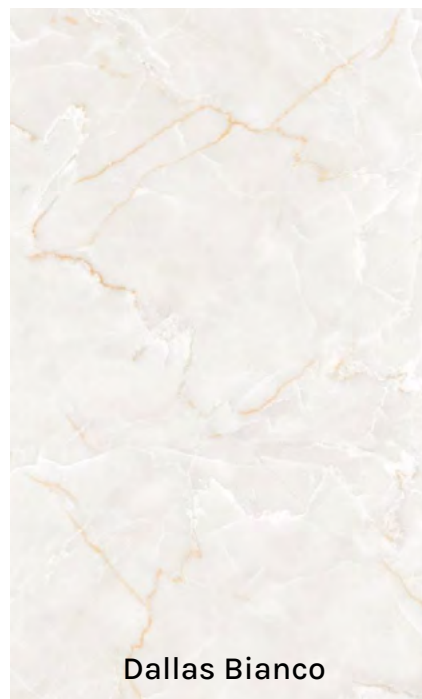
Applications & Solutions



NEW ARRIVAL IN 1600X800 MM SIZE



Ancona Shell



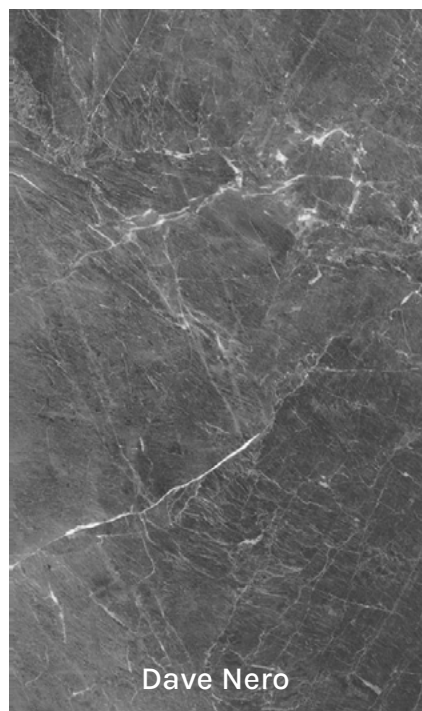
Dallas Bianco



Parrino Silver



Dave Grey

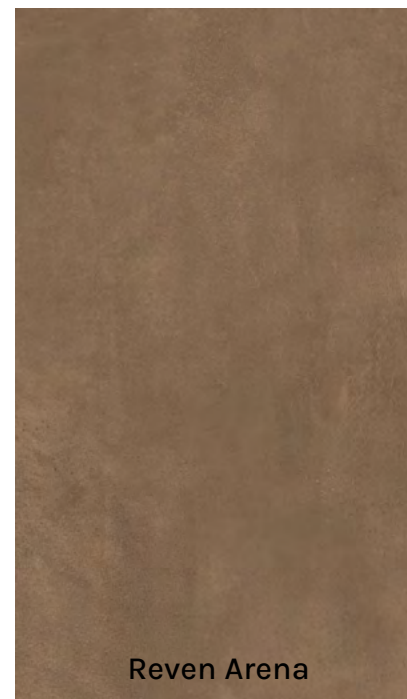


Dave Nero

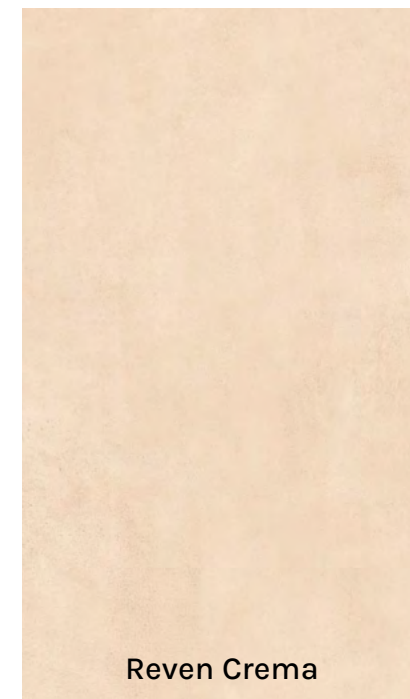


Adorf Crema

SPANIZIA COLLECTION - NEW ARRIVAL IN 1200X600 MM SIZE



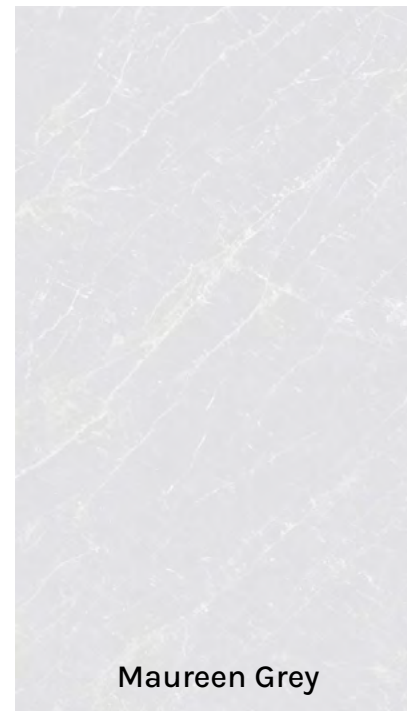
Reven Arena



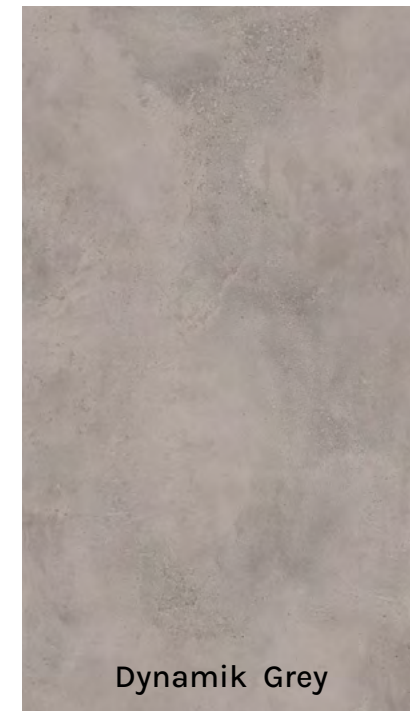
Reven Crema



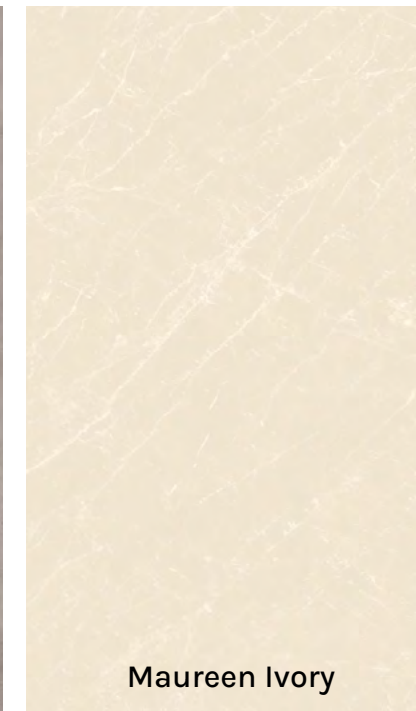
Reven Gris



Maureen Grey

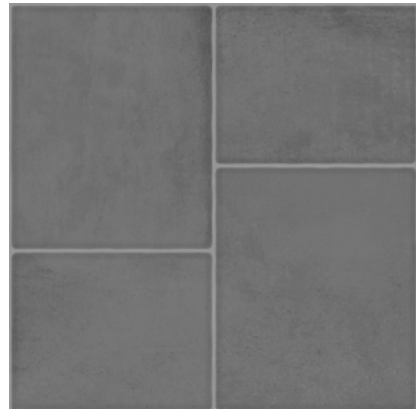


Dynamik Grey



Maureen Ivory

TRENDS SERIES - NEW ARRIVAL IN 600X600 MM SIZE - 12 THICK PARKING TILE



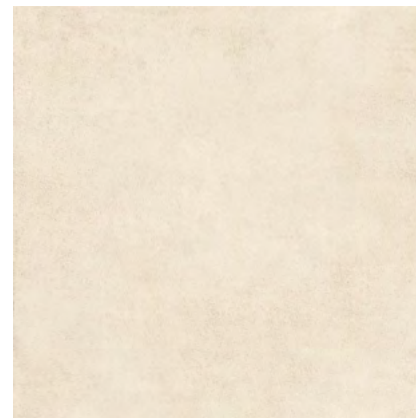
Scab Grey



Square stone Olive



Nuton Nero



Volte Crema



Volte Brown



Nuton Grey



BOARD OF DIRECTORS



1



2



3



4



5



6

1. Mukesh Patel (CMD)

Member of Audit Committee

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

2. Kiran Patel

Director (Sales and Marketing)

Member of Stakeholders' Relationship Committee

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

3. Dinesh Patel

Director (Operations)

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

4. Kamal Dave (Independent Director)

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

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

5. Nidhi Gupta (Independent Director)

Member of Nomination and Remuneration Committee

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

6. Daxesh Kumar Thakkar

(Independent Director)

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

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

KEY PROFESSIONAL TEAM



AJAY KUMAR
Vice President -
Manufacturing (Talod Plant)
Experience: 18+ Years Of Experience
In Ceramic Industry Qualification:
Bs Engineering Bits Pilani



HIMANSHU SHAH
Chief Financial Officer
Experience: Industry Veteran With
23+ Years Experiences In Finance, Tax,
Budgets, Audits, Corporate Governance,
Ipo Roadshows, Etc Qualification:
Chartered Accountant, B.com



H. K. NATESH
Vice President
Experience: 32+ Years In Ceramic
Qualifications: B.Sc



HARKISHAN JAGAD
Associate Vice President
Previous Experience: Total 25+ years,
5 years with paints industries &
since 2001 Ceramic Industries which
includes service to Murudeshwar
Ceramics, Kajaria Ceramics, Asian
GranitoInd Ltd, Somany Ceramics.



SUMIT BANSAL
Associate Vice President
EXPERIENCE: 32+ YEARS IN CERAMIC
QUALIFICATIONS : B.TECH



**MOINUDDIN RABBANI
SHAIKH**
General Manager
Experience: 21+ Years In Ceramic
Qualifications : BA



VIJAY GAIGOLE
Associate Vice President
Experience: 21+ Years In Ceramic



DIVYESH RUPAREL
GENERAL MANAGER – Export
Division
Experience: 30+ Years Of Experience
In Ceramic Industry



NILESH MISTRY
General Manager
(Commercial)
Experience: 30+ Years Of Experience
In Ceramic Industry



ANAS K.A.
DY.General Manager
Experience: 19+ Years Of Experience
In Ceramic Industry



MAHENDRA MOHAPATRA
Associate Vice President
Experience: 21+ Years In Ceramic
Qualifications : MA (Economics)



AKHILESH UPADHYAY
Chief Human Resources Officer
Experience: 28+ Years Experience
Qualification: BSC MLW DTB



G. THRIVIKRAMA RAO
Assistant General Manager
Qualification: M.B.A, Experience: 16yrs



PARAS SHAH
Company Secretary &
Compliance Officer
Experience: 05 years of experience in
secretarial field

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

“
Exxaro Tiles works to create sustainable value by providing our customers with cutting-edge products and services that cater to their needs for construction and lifestyle.
”



Dear Shareholders,

As we prepare this year's annual letter to shareholders, we witnessed the Indian economy emerged from the stringent state-wide lockdowns and limitations aided by a speedier vaccination drive and the loosening of mobility restrictions, indeed FY 2021-22 was a year of recovery from the lows of FY 2020-21. The second wave of Covid-19, which claimed many lives and disrupted operations for most businesses, particularly in the first quarter, supply chain issues that impacted export business opportunities, the coal and energy crisis that impacted profitability in the second half were some of the other difficulties that businesses had to deal with in FY 2021-2022. Rising geopolitical tensions also drove up already sky-high fuel prices, which had a domino effect on other input costs.

Remarkable Resilience

Industry witnessed recovery in the second half of FY 2020-21 which compelled us to put the need and urgency of dynamic planning and implementation in our business into sharp focus. We made significant progress across our strategic levers in FY 2021-22. Your Company delivered a strong performance across financial parameters reflecting strong business fundamentals and future avenues for growth driven by a robust and diverse brand portfolio. Post COVID, India has become the most popular nation in the world. India has replaced China, particularly in the ceramic industry, by exporting more to western countries. Next to China, India is now more globally competitive and produces high-quality tiles. The company has developed distinct vertical V1 & V2 for its products Double charge vitrified Tiles and Glazed Vitrified Tiles to focus more on exponential growth. Further, to cater the strong demand from its markets, the company resorts to outsourcing from Morbi to gain market share from the unorganised players.

The Year at Exxaro

The year was marked with new prospects, unexpected challenges, fresh insights and important lessons for future. Exxaro has been able to steer itself amid turbulent economic challenges, which were spread throughout the year. During the year, your Company came up with an IPO of around ₹160 crore and got listed on 16th August, 2021. In accordance with the IPO's stated goals, the firm paid off its full long-term debt of ₹50 crore and became long term debt-free company. The company's Gross debt/ EBITDA stood at 1.17x and Net debt/ EBITDA stood at 0.78x as on March 31, 2022. The remaining amount has been utilised towards the Company's working capital needs for future expansion. Our operational excellence, and our financial discipline, have resulted in a healthy balance sheet which allows us to maintain a sharp focus on emerging opportunities. During the year, your Company's total revenues stood at ₹3,253 million, and an increase by 28% in comparison to ₹2,551 million in FY2021. Across all segments, tiles pricing remains stable due to good demand growth in the domestic market. Your Company was able to achieve 21% Volume growth and 7% value growth Y-o-Y basis during FY2021-22. FY22 witnessed never seen before volatility in input prices, despite the inflationary cost pressures, the company was able to optimise its cost and maintain its margins. EBITDA margins for the company stood at 14.9%. This has reinforced our conviction that, despite a significant increase in input prices, we can maintain a high level of operational excellence and create value for stakeholders. Profit after tax for the year stood at ₹181 million, an increase by 18.93% as compared to ₹152 million in FY2021. The company's working capital cycle also has improved from 185 days to 160 days during the year. The company has a comfortable liquidity position as of March 31, 2022, with cash and bank balances of around ₹~200 million. We are confident that these prudent decision will allow us to achieve our vision of around ₹10 Billion topline by FY 2026.

Brand Expansion

Your company has a very promising prospect given the industry expansion. To promote its brand EXXARO across geographies, the company has recently signed Indian Bollywood actor Ajay Devgn as its brand Ambassador to endorse its tiles products. The Idea of roping in Ajay Devgn to promote the Tiles products is a part of Company's four-fold expansion plan in GVT Slabs in the Ceramic Industry. Strong emphasis has been placed on brand building and expanding the assortment of tiles in its basket. With the EXXARO Brand, the company is increasing its market share in the unorganised sector and will likely continue to diversify our product portfolio in the years to come. Company's pan India setup under the EXXARO Brand, now includes all products in its assortment to capture the largest possible market share from the unorganised sector.

Unlock Potential

Your Company is constantly introducing new variations with revised designs across all product categories. It is well positioned in the market by leveraging on its internal design research and development. The Company has planned for CAPEX out of internal cash accruals of ₹300 million for Manufacturing of GVT Big size Slab production in existing plant capacity. This product is a highly latest technology premium product replacing Marble, Granite and Quartz product segment. Your Company has a fully integrated business model which is focussed on expanding its product line and putting more of an emphasis on developing a strong brand and providing customers with quality services. At PAN India level, this will receive increased coverage in untapped areas. To increase our penetration, we have develop a strong distribution network of 800 dealers and 2000+ touch points. The resulted efforts has reflected in strong sales for the company and expand footprints across different geographies. Your company looks forward to increasing its concentration on the retail segment to 85%.

Advancing against all impediments

To achieve high revenue growth in the future, the company will keep working to align its product mix with the actual demand and extend its distribution network. The business keeps making investments in innovation to meet the needs of our clients' modern lifestyles and infrastructure. We are ready to use technology to our advantage and to increase organisational competence at all levels so that we can benefit our customers. In the medium term, the Company will also keep up its initiatives to attain cost-competitiveness and generate solid profit margins.

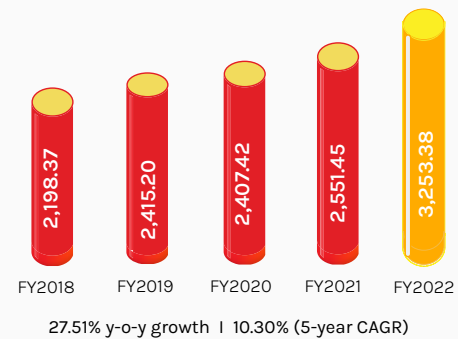
With that, we express our gratitude to our shareholders for continuing to place their faith in our business. We appreciate the constant and steadfast support from our team members, distributors, and other stakeholders. We attribute our expansion to the perseverance, commitment, and dedication of our staff, who will continue to support us through every high and low and help us reach greater heights.

Warm Regards

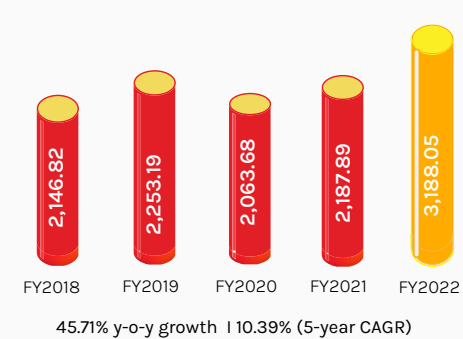
Mukesh Patel
Chairman and Managing Director

PROGRESSIVE NUMBERS

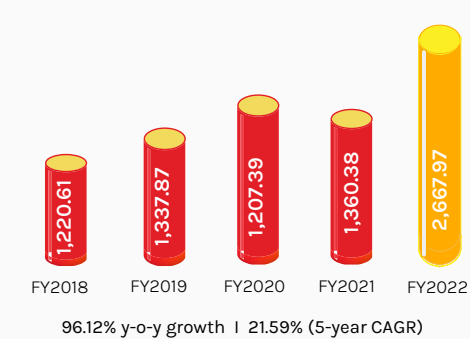
Revenue from operations (₹ million)



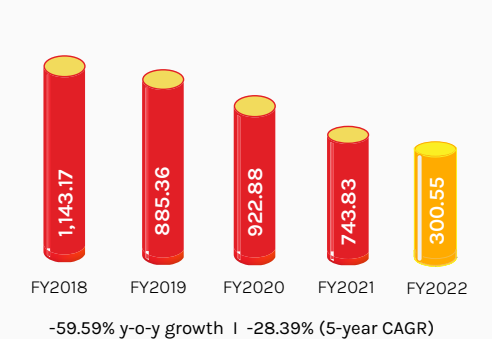
Revenue from domestic sales (₹ million)



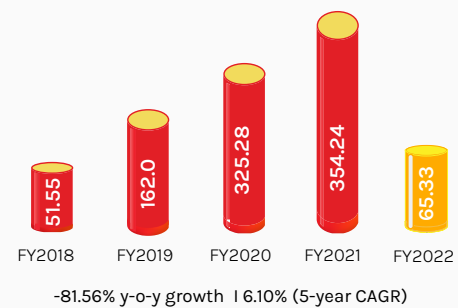
Net worth (₹ million)



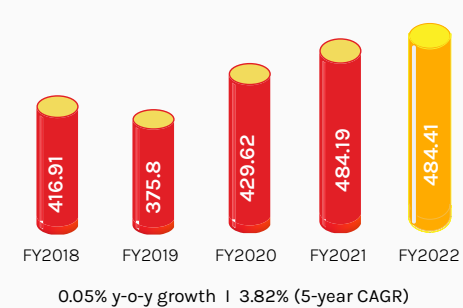
Long-Term Debt (₹ million)



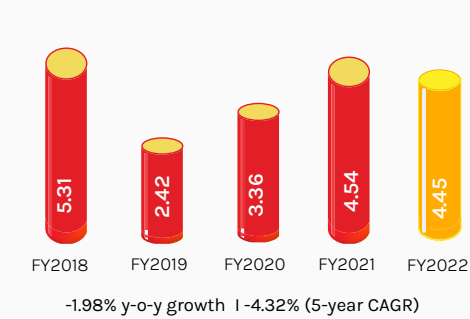
Revenue from international sales (₹ million)



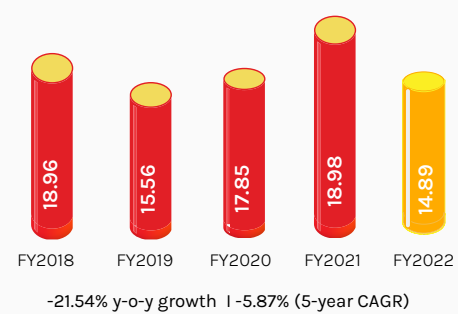
EBITDA (₹ million)



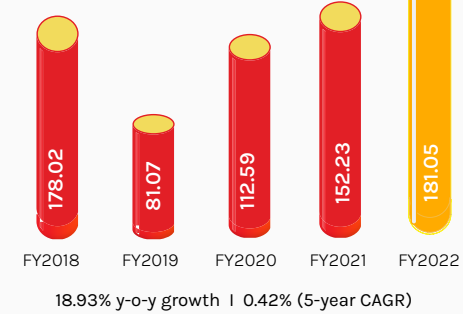
Earnings per share (₹)



EBITDA margin (%)



PAT (₹ million)



STRENGTHENING THE BRAND

A brand is a narrative that conveys a lot about the company's commitments and promises. It is a formal approach to aligning with business objectives and its stakeholders. To strengthen a brand, it is essential to advance beyond goals of profit and purpose and to provide the uncommon and unexpected.

At Exxaro, we think that adopting novel concepts, defying expectations, and consistently establishing new trends are really essential. We come to understand that in order to stand out in a crowd, we must first get ready to be outstanding. Our exceptional R&D capabilities and capacity for innovation greatly support us on this course.

We have developed a strong brand recall thanks to our extensive distribution network, marketing prowess, and long-standing relationships with our dealers and customers. This has in turn been a major factor in driving our steady expansion.

Recently, Your company has signed Ajay Devgn as its brand Ambassador. This association will strengthen our brand recall and position our unique offering, both to our valued customers and end-users.

Expanding dealer network

Our go-to-market strategy has enabled us to build a wide network and various touchpoints, and we continually aim to deliver an enhanced ownership experience. An effective service network enables us to remain close to our consumers, which results in positive interaction and loyalty. We are concentrating on developing partnerships with our distributor network and expanding into new markets.

Multiple customer touchpoints

We are steadfast in our Company's expansion, touch more lives and strengthen our value proposition. In FY22, your Company forayed into many new markets, decoding the consumer values and demands. The Company will continue to open new display centres for its showcasing its products. Improved distribution networks and promotional campaigns will enhance our presence in metro cities, Tier 2 and 3 cities. We build strategies focused on product development and customer satisfaction for long-term growth.



STRENGTHS THAT DEMONSTRATE OUR POTENTIAL

Our core values lend us strength and help us unlock our potential to offer our customers high-quality products



Integrated Business Model:

Our is an Integrated Business Model leading cost competitiveness and premium product manufacturing within our own manufacturing plants



In-House R & D Facilities:

Well-equipped in-house production facilities and laboratories Strict quality compliance and continuous investment in R&D



Strong and Experienced Management Team:

Long term association of our Senior Management Team enables the Company to meet its strategic goals with their extensive knowledge and experience



Strong Relations with Marquee Clients:

Strict quality criteria have made us a long-term business association for many clients across the globe



Low-Cost Gas Supply:

We have a Contract with ONGC for Gas Supply at our Vadodara Plant of 10,000 SCM per day



Empowered workforce:

Qualified and competent workforce to assist in our efforts to achieve the organisation's short and long-term objectives

Rating By Brickwork Rating India Pvt. Ltd. As On 24th September 2021

Facilities	Previous	Present	Remarks
Long Term	BWR BBB+/Stable Reaffirmation	BWR BBB +/Positive Réaffirmation	BWR BBB+ Upgraded from Stable to Positive
Short Term	BWR A3+ Reaffirmation	BWR A2 Upgrade	Upgraded from "A3+" to "A2"



OPERATING WITH INTEGRITY

Good corporate governance is integral to the way we do business. Strong corporate governance ensures a resilient organization, which can take concrete steps toward the future. It allows us to fulfill our strategic goal of being a trusted partner to all our stakeholders. Therefore, we operate with the utmost integrity and the highest standards of ethics and transparency.

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

Corporate Governance Framework

The pinnacle of our corporate governance framework is our Board of Directors. The Board demonstrates a balanced mix of Executive, Non-Executive and Independent Directors. Our Directors demonstrate a vast range of expertise and knowledge, relevant to the industry. With such diverse backgrounds and skills, our Board spearheads the organization with precision and a well-defined direction.

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

EXPANDING GROWTH THROUGH INNOVATION

Innovation is sparked by change, which also lays the groundwork for revolution. With the help of our technical expertise, we continuously introduce new versions within our present product line that follow our quick-moving market strategy. Our division is actively focused on creativity and supports its scope with in-depth research at every stage to continuously provide an enriched and elevating client experience. Unwavering focus is placed on developing new products, enhancing production procedures, reducing waste, and improving input-output ratios. Our ability to combine technology and our services adds a new dimension to our offerings, opening up newer avenues for us. We believe in promptly capitalising on such opportunities to keep moving up the growth curve.

India's First

FGVT & FULL COLOR BODY TILES

Exxaro uniquely provides FGVT & Full Color Body Tiles, a new revolutionary product that is made through a rigorous heating process under 243 metres Kiln – the longest Kiln ever. FGVT tiles come with qualities like more flatness, smoothness, and strength. The glaze enables the tiles to have unlimited shades options and designs



DOUBLE CHARGE 3D EFFECT TILES

We are honored to have pioneered the 3D effect in India. The distinctive 3D appearance creates vivid and energetic imagery on the tiles, giving the spaces a lively atmosphere.



MORE THAN 95% GLOSSY TILES

The 4 Layer Nano Technology gives more glamour and beauty to tiles by adding more shine along with advantages like better skid resistance, stain resistance, durability, and easy maintenance. The finishing exalts the aesthetic characteristics of the material by increasing the brilliance and elegance, out-beating the shine out of natural marble.



QC WITH PLANO METER

The Planometer Technology keeps stringent control over quality, precision, flatness, and thickness giving its customer superior product satisfaction. This fully automated machinery minimizes the possibility of errors and produces a product of consistently high quality.



MANEUVERING THE WAY AHEAD

Our vision and core values serve as the compass for how we formulate and carry out our strategic objectives. While developing the strategy, we consider the internal and external business environments as well as potential risks that could have an impact on our business operations. Our approach to achieving these goals helps to create long-term sustainable value for all our internal and external stakeholders.

We emphasize on formulating a plan for taking advantage of opportunities being presented by the industry's evolving landscape.



Diverse Portfolio

With the support of our good manufacturing practices and strong research & development, we offer a range of products with best quality. Our range of products have a strong foothold and are increasing their market share both globally and domestically. With an aim to strive our focus towards innovation, the Company plans to expand its capabilities in manufacturing Glaze Tiles Big Size slabs at our existing plant at Talod, North Gujarat.



Penetrating into new spaces

We leverage our strong distribution network for entering new geographies and strengthen our brand building initiatives. Along with new product innovation, we also look ahead in expanding our reach in untapped areas of Tier II, III and IV cities among the domestic markets. Overseas, we are preferred by our customers due to our product quality and strong locational advantage.



Market Consolidation

To achieve market consolidation, we make efforts on increasing our market share in areas where we have presence. We are also continuously looking out for venturing into new markets and cater to the rising demand. Our branding strategy ensures that we meet aspirations of varied category of customer segments. Our focus is on customer-servicing and on-time delivery of our products to them.



Cost Optimisation

The Company is making constant improvements, with a focus on cost optimization and increasing production efficiency. We strive for optimization through constant process improvement, increasing efficiency, fuel costs, automation, etc. and this process is followed and repeated on continuous basis.



Sustainable Growth

Our plans are centred on the long-term objective of enduring value generation for our stakeholders. We continuously communicate with our stakeholders to understand their expectations and increase our engagement with them. We have adhered to the best levels of corporate governance, have consistently delivered financial performance and continue to reward our stakeholders thereby optimising a circle of sustainable growth.



Technological advancements

We are constantly leveraging our technology to improve our operational efficiency. These technologies will help in maintaining stringent quality control parameters and drive towards product innovation. Our products define class and innovation, which makes us unique in the industry. More significantly, we are dedicated to upholding our standards for quality and design, and we are certain that we can withstand any challenges that may arise in the next years.



Management Discussion and Analysis

Global Economic outlook

Over the past two years, there have been enormous ups and downs in the global economy, with the pandemic acting as a catalyst for a sharp decrease in economic activity and the international governments stepping up to help it recover.



This growth was driven by a global relaxation of lockdowns brought on by the epidemic, which helped bring global demand and trade back to pre-pandemic levels. With increased economic activity around the world, energy prices surged in the second half of 2021. Limited availability also contributed to the price increase. Even though supply-chain problems were still present, global activity was starting to pick up steam. This resulted in a modest economic recovery of roughly 6.1% in 2021. While this was going on, a number of regions in the world had to battle an increase in Omicron cases, the advent of novel variations, and

vaccine inequality. However, recent geopolitical developments have considerably slowed down economic growth. As a result, according to the IMF's most recent report (April 2022), global growth will decrease to 3.6 percent in 2022 and 2023, respectively.

China experienced its worst Covid-19 epidemic since the first wave just as nations were starting to recover their economies. This, combined with China's zero-tolerance Covid policy, had a negative impact on supply chains, disrupted production, and raised the likelihood of the country entering its worst economic recession. Due to the IMF's reduction of the country's growth prediction from 4.8% to 4.4%, it will be crucial to global supply chains and, consequently, the recovery of the global economy.

Beginning in 2022, the globe was plunged once more into unrest, this time due to Russia's decision to invade Ukraine, which triggered a significant geopolitical crisis. As a result, financial organisations revised their predictions, and governments all around the world were looking at revised projections.

	2021	Projected	
		2022	2023
World Output	6.1	3.6	3.6
Advanced Economies	5.2	3.3	2.4
Emerging Market and Developing Economies	6.8	3.8	4.4
Emerging and Developing Asia	7.3	5.4	5.6
China	8.1	4.4	5.1
India	8.9	8.2	6.9

Source: World Economic Outlook, IMF

Indian Economic outlook

India continues to endure challenges from global spill overs from geopolitical tensions, elevated commodity prices, and declining foreign demand, according to the Reserve Bank of India (RBI). Research studies anticipated growth in India's GDP for FY2022-2023 by 8.0%-8.5%. In doing so, the RBI reduced its earlier prediction of 7.8% GDP growth to 7.2% for the fiscal year 2022-2023. While the nation is anticipated to enjoy a typical southwest monsoon, together with a government-led massive immunisation programme and the abating of the third wave, the ongoing supply-chain bottlenecks, rising crude oil costs, and the deteriorating external environment continue to pose a threat.

On the supply side, manufacturing and construction showed a fast rebound to regain more than 100% of the corresponding pre-epidemic output levels, while agriculture continued to unflinchingly support economic recovery. These changes reflect improved consumer and investor mood, the release of repressed demand, especially in building, which is backed by rising public investment, and an upturn in the housing cycle. The services sector has recovered better than the overall economy to 100% of pre-pandemic levels, demonstrating the increasing adoption of contact-intensive service industries to the pandemic crisis.

The rebound has been widespread on the demand side. Private consumption has improved to recover 97.8% of corresponding pre-pandemic levels and is fully recovered in the second half of FY 2021-22, while investment and exports have achieved more than full recovery of the corresponding pre-pandemic FY 2019-20 levels. These projections support the deepening of the economic recovery due to higher public sector capital expenditures, greater consumption levels, and increased export resilience from India. Higher employment rates are predicted by income growth, better mobility and e-commerce.

Industry Overview for Tiles Segment

The global ceramic tiles market is projected to grow to \$77.82 billion in 2028 at a CAGR of 5.2% in forecast period, 2021-2028. The impact of Covid-19 on the world has been unprecedented and catastrophic, with products experiencing a negative demand shock in every location due to the pandemic. Thus, in 2020, the global market saw a 9.7% drop. The abrupt increase in CAGR can be attributed to the market's demand and growth reaching pre-pandemic level.

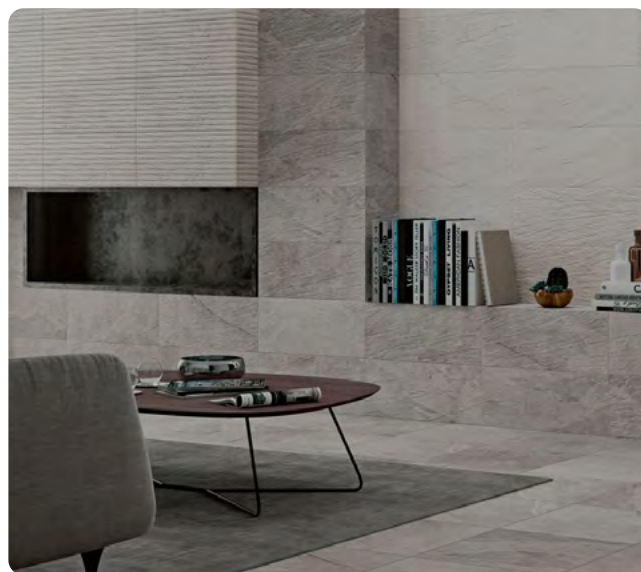


On the other hand, India has been one of the fastest-growing ceramic tile marketplaces at the global level. The ceramic tiles market size is projected to reach \$7,144.7 million by 2027, growing at a CAGR of 8.6% from 2020 to 2027. In terms of volume, the tiles market is projected to reach 1,384 MSM by 2027, growing at a CAGR of 6.9% from 2020 to 2027. Some of the major factors augmenting the growth of the ceramic tiles demand in India are the growing real estate sector coupled with government policies fueling strong growth in the housing sector. The demand for ceramic tiles in India is also being driven by the country's expanding disposable income and a corresponding desire to beautify residential and commercial areas. Furthermore, increase in

innovation in tile manufacturing and printing machines is expected to further boost the growth of the market. The government schemes such as 'Pradhan Mantri Awas Yojana' and 'Smart Cities,' among others, are likely to provide a further impetus to the real estate market in India.

India Tiles Sector

India is the second-largest manufacturer and exporter of tiles in the world after China. The country's tile exports have grown at a CAGR of 27% over the last four years accounting for 40% of the share while the domestic market accounts for the balance 60% of the share. Rising input costs, particularly the increase in gas prices, have adversely affected most tiles players' margins.



Piped Natural Gas (PNG) which forms ~25-30% of the total cost for a tile manufacturer has disturbed the industry cost structure. According to ICRA, PNG prices for state-owned Gujarat Gas Ltd have risen 129% over the last 12 months to ₹63 per SCM in December 2021, with prospects of another ₹5-8 increase in the near term. Natural gas prices have remained high due to weather patterns, supply disruptions, low inventories, lower renewable and hydropower generation, and higher charter rates.

The end users absorbed the majority of the price increases that the tile makers made to reflect cost pressures throughout the year. Growing demand and an increase in crude oil prices due to shifts from coal can also keep prices elevated in the future.

Meanwhile, export container freight rates have risen multi-fold, along with container shortages, aggravating the issue. Increasing gas and container freight has been a double whammy for small and medium-sized players, who are unable to pass on the hike in input costs. Elevated sea freight rates and container shortages have impacted exports and resulted in inventory build-up. A fall in export demand has also pushed export-focused players into the domestic market, restricting price hikes due to increased supply. Despite the logistical challenges such as high freight rates and container shortages, exports of ceramics and other allied products have increased to US\$ 3,464 mn during 2021-22. India now exports to over 125 countries including the USA, UK, Middle East, etc, while China is still facing anti-dumping duties in some markets, which provides the Indian industry with the opportunity to increase its market share in the global market.

Morbi Cluster

The Morbi cluster in Gujarat, which is the largest tile production cluster in India, is home to the majority of the unorganised companies in the country's tile manufacturing business. 90% of India's ceramic products are catered to by Morbi. The cluster consists of ~600 manufacturing units out of which ~350 would be for ceramic wall tiles units. In the last couple of years, many of the units have stopped production due to multiple headwinds hovering above this segment. In the short term, price wars, dumping of inventory and softness in volumes are foreseen. Higher inflation and weak rural demand have slowed growth for the tiles industry in India.

With global markets such as Europe and Turkey witnessing rising gas prices and higher dependency on Ukraine for raw material, Morbi players would see some traction demand in the coming months which will help them further increase their market share. A gradual pickup in the construction segment, government initiatives, and an increase in exports should restore the Indian tiles industry growth. The growth in tiles exports for Morbi shall continue as China faces anti-dumping duties and Morbi players being more cost effective. Recently, the GCC countries have withdrawn the anti-dumping duty on ceramic tiles exported from India. The anti-dumping duty on ceramic tiles was at an average of ~42%. It was as high as 106% for new companies. This effort by the government will definitely act as a major booster for the ceramic industry at Morbi. Further, the European Union has decided not to impose provisional measures on anti-dumping concerning imports of ceramic tiles. However, the investigation will continue in the interim.

Outlook

The medium to long term forecast for the Indian tile sector appears remarkably optimistic, notwithstanding any difficulties. The market is primarily driven by an increase in demand for residential and commercial infrastructure improvements. The real estate and housing sector's expansion, rising disposable income, an increase in remodelling and renovation projects, government measures to assist the tile sector shall further propel the industry growth. The influence of GST and the low replacement rate of tiles, on the other hand, have a direct impact on market growth. Increased expenditure by consumers, the emerging need for innovative interior décor, quality and its durability have led to the rise in the consumption of ceramic tiles. Furthermore, the market's expansion is projected to be aided by increased innovation in tile production and printing machinery.

Real estate is one of India's most powerful economic foundations. Rapid urbanisation, altering consumer behaviour, regulatory reforms, and the influence of COVID-19 are all fueling this pillar's evolution right now. The housing sector accounts for a large portion of the real estate sector (about 80%), and it has recovered quickly from the Covid-19 crisis. It has already begun to revert to pre-COVID levels. Home sales increased as a result of COVID and trends are likely to revert to pre-2020 levels. With increase in construction activities, home sale and new launches across major cities have shown significant improvement. Although residential construction accounts for the majority of tile usage, demand from the business sector—which includes high-traffic infrastructure—is increasing at a healthy rate as a result of persistent investments made by both public and private parties.

The government's focus is more towards making housing affordable and available for everyone. Changes in floor space index (FSI) rules made land hoarding unsustainable and almost finished land trading practices. Similarly, the government's push for 'Housing for All' fuelled the demand for affordable housing and in turn generated much-needed liquidity in the sector. Strong and positive momentums are expected to continue prevailing in Indian real estate in the financial year 2023 (FY 23) backed by the solid structural foundation, gain in demand, and lowered home loan rates. Government initiatives like the 'Pradhan Mantri Awas Yojana' and 'Smart Cities,' among others, are set to give additional impetus.

Company overview

Exxaro Tiles is a leading name in the ceramic tiles industry, offering the most innovative range of tiles since 2013. Through its two main product categories—double-charge vitrified tiles and glazed vitrified tiles—it offers attractive and long-lasting vitrified floor tiles as well as vitrified tiles made of marbonite. Exxaro is a company that

was founded with the goal of forging a distinctive character in the tiles sector. With a sophisticated product line that epitomises beauty and style, the Company has distinguished itself in the sector. The company currently sells its goods to over 13 countries and has more than 2,000+ registered dealers spread across 27 states, mostly in North and West India. Owing our long ties with our dealers, we are able to grow and supply our products for significant infrastructure projects.

Our goods adhere to exacting quality and technical standards, setting us apart from our competitors. Our best asset is our high gross product, glazed vitrified tiles. In comparison to other participants in the market, the cost of gas is readily available in our double charge plant in Padra near Vadodara.



“ We have Natural Gas facility available from ONGC at APM Prices which are very cost competitive at our Padra Plant.”

Additionally, in order to decrease our reliance on external sources of energy and increase our operating margins, we are constructing a self-contained LNG gas station on our property for internal use. While achieving financial success

is our aim, we are also aware of our social obligations. We often give to charitable trusts and NGOs, who utilise our money to improve the livelihood, health, and education of others who are less fortunate.

Financial Overview

Revenue:

Our Company's overall total income increased to ₹3,253.38 million for 2021-22 from ₹2,551.45 million for 2020-21, an increase by 27.5%. This increase in revenue mainly attributed to high sales of volume growth of ~22%

Operating Expenses:

- Our Company's overall operating expenses increased ₹2,768.98 million for 2021-22 from ₹2,067.26 million for 2020-21. This increase in operating expenses can be attributed mainly to the increase in business volume as seen from increase in revenue.
- EBITDA: Our Company's EBITDA stood at ₹484.41 million for 2021-22 from ₹484.19 million for 2020-21
- Depreciation: Our Company's depreciation stood at ₹136.37 million for 2021-22 from ₹136.34 million for 2020-21
- EBIT: Our Company's EBIT increased to ₹348.04 million for 2021-22 from ₹347.84 million for 2020-21
- Finance Cost: Our Company's finance cost decreased to ₹99.77 million for FY 2021-22 from ₹212.60 million for FY 2020-21. This decrease in financial cost can be attributed mainly to efficient fund management.
- PBT: Our Company's PBT increased to ₹261.52 million for FY 2021-22 from ₹171.61 million for FY 2020-21
- PAT: Our Company's PAT increased to ₹181.05

million for FY 2021-22 from ₹152.23 million for FY 2020-21

- Capital Employed: Our Company's capital employed increased to ₹2,968.52 for FY 2021-22 from ₹2,104.21 Lakhs for FY 2020-21.
- Net Worth: Our Company's net worth increased to ₹2,667.97 million for 2021-22 from ₹1,360.38 million for 2020-21.
- Return on Capital Employed: Our Company's return on capital employed ratio stood at 11.72% for FY 2021-22 as compared 16.53% in FY 2020-21.
- Return on Net Worth: Our Company's return on net worth stood at 6.79% for FY 2021-22 as compared to 11.19% in FY 2020-21.

Performance of Tiles Business:

- The company has two Manufacturing facilities: 1) Padra 2) Talod
- Installed capacity: 13.20 msm per annum
- Production in FY2022: 10.72 msm per annum
- Capacity utilisation: 81.20%
- Volume in FY2022: 11.78 msm
- Sales growth over FY2021: 28%

Operational strength

The Company offers a wide range of tiles across product categories such as ceramic tiles for wall and floor, glazed vitrified tiles (GVT) and double charged tiles. It has various product offerings in different sizes, polishes and finishes. The company has manufactured tiles with many First in:

- 3D effect in Double Charge
- FGVT Tiles
- More than 95% Glossy Tiles
- Full Color Body Vitrified Tiles

- 4 Layer Nano+ Micro Polished Tech

The company has a pan-Indian distribution network that spans to more than 2,000 touch points and serves metro, tier I, tier II, and tier III cities. In FY2022, it expanded its export reach to more than 10 countries, slowly and gradually expanding its footprints. The Company has pioneered several products that have established the trends in the industry and continues to focus on providing unique and value-added products to its markets to keep up with its cherished customers.

Key Competitive Advantages

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

We have two manufacturing facilities in Padra (Unit 1) and Talod (Unit 2) in Gujarat, which help us in the manufacture of stylish and high-quality tiles. The facilities are fully integrated and can undertake all processes – right from raw material handling to producing finished goods and dispatching them. They are also equipped with modern equipment such as kiln, press, digital printing and glazing, thus allowing us to custom develop tiles in various designs and sizes, minimise human intervention and optimise cost efficiency. Most equipment is imported and adheres to international quality standards. Unit 2 is one among the single largest plants for manufacturing glazed vitrified tiles under one roof in India. It is also ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified. Moreover, both our units are CE compliant. Our in-house laboratory enables us to conduct tests and analyse various products, while also facilitation the development of new products. In the years to come, we will continue to enhance our manufacturing processes to increase asset productivity and strengthen

our competitive position.

- **Widespread sales and dealer network In India, we supply our products through two models:**

1. through dealer network

2. For infrastructure-related projects and to private customers As on March 31, 2022, we have 2,000+ Touch Points in India and presence in 25 states.

Our enduring relationships with our dealers have allowed us to develop innovative designs, meet stringent quality and technical specifications and offer better pricing and delivery terms. Thus, our customer retention is high and we continue to earn their trust. Our dealer network is supported by an able in-house sales and marketing team. The two teams work together to analyse customer inputs and market demands, and devise a product development strategy. Till date, we have 80+ people in our sales and marketing team and are looking to expand the team as demand for our products increases.

- **A wide product portfolio**

We began our journey with the manufacture of frit – a raw material use in the manufacturing of tiles. Today, we manufacture a wide variety of tiles according to customer needs. As on March 31, 2022, we manufacture over 1,000+ tile designs in six sizes. With the help of our sales and marketing team, we understand customer demands and trends dominating the market, and develop products accordingly.

Our products have several characteristics that set them apart from other players in the market:

- 3D effect in double-charge vitrified tiles
- Replica of natural stones in double-charge vitrified tiles

- High transparent glaze in weight method for glazed vitrified tiles

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

- **Experienced management and dedicated employees**

Our Company is led by passionate and experienced individuals who aspire to not only grow the business, but also deliver value to their stakeholders and empower the communities in which they operate. Their expertise allows us to anticipate and address market trends, manage and grow our operations, and maintain and leverage customer relationships. Our team of 500+ dedicated employees enable the organisation to fulfil its vision of being a leader in the industry. Many of our people have been associated with us since over a decade. The management and the team together focus on tending our operating capabilities, improving the quality of our products, continuously upgrading our processes and designs, and taking the business to new heights of success.

Growth strategy

1. **Strengthen our brand value**

We sell our products under brand 'Exxaro' and are making consistent efforts to enhance our brand visibility through various initiatives. In FY2022, we spent ₹7.50 million on advertisement and sales promotions to capture the eye of existing and potential customers. Our key branding initiatives include hoardings, displays at strategic locations such as airports and main markets, distributing promotional materials and increased digital media advertising activities.

Further, we plan to participate in more domestic trade exhibitions and start taking part in international trade exhibitions, too, to increase our brand recognition and reach. The company plans to increase EXXARO Exclusive Shoppe's at PAN India level to increase its focus on Retail segment. In our quest to further strengthen our Brand for future growth in Domestic Market, your company recently signed Bollywood actor Ajay Devgn as its Brand Ambassador.



The brand plans to go aggressive on the digital front with its marketing campaign. The brand will be endorsed across all platforms and in BTL campaigns.

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

We are focusing on expanding our dealer network in Tier 2 and Tier 3 cities and rural areas as we believe there are several untapped opportunities for us to explore. We are also appointing more dealers in the states of Arunachal Pradesh, Uttarakhand and Puducherry, where we already have

market presence. As we expand our presence in eastern and northern India, we will grow our dealer network in these region as well. We have export presence in 13+ countries, with our major exports being in Poland, the UAE and Bosnia. We intend to capitalise on the huge demand for Indian tiles in the international markets and explore geographies such as Spain, Mexico and Italy. We will appoint dealers at these strategic locations as our export footprint grows

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

We currently have a combined installed production capacity of 1,32,00,000 sq.m per annum and we utilised 81.20% of the capacity in FY2022, despite the impact of COVID-19 on our business. However, we are cognizant of the increasing demand for our products and are ready to expand our manufacturing capacities and engage with companies who manufacture qualitative products as per our specifications on an outsourced basis. This will allow us to overcome any manufacturing capacity limitations, offer a comprehensive product range to our dealers, and increase sales and cash flow from operations. By outsourcing from Morbi players we are planning to increase our entire product base in Tiles segment in our basket under 'EXXARO' brand, resulting in increased market share in the domestic as well as international market.

4. **Continue to improve operating efficiencies through technology enhancements**

Technology plays a crucial role in our industry. Modern technology and equipment helps in developing better designs, increasing productivity, improving operational efficiencies and strengthening the business.

We, thus, continue to invest to develop our in-house technology capabilities to ensure quality control and deliver enhanced customer service. We are also setting up a gas station for internal gas consumption to optimise fuels and power costs. For FY2022, our power and fuel expenses accounted for 32.80% of our revenue from operations. Our own gas station will help us reduce external dependency and improve our operating margins.

SWOT Analysis

Strengths:

- Unit 2 at Talod is one of the biggest single largest plant for manufacturing glazed vitrified tiles under one roof in India situated at Sabarkantha, near Ahmedabad, Gujarat
- Use of global manufacturing technologies
- Aspirational youth preferring branded and value-added products
- Increased responsiveness to branding and promotion
- Increased preference for premium aesthetic products
- Strong management team of experience professionals
- The majority of the manufacturing is done in-house, which increases reliability and reduces dependency on outsourcing resources
- Intelligent use of digital technology can get the company very close to the end consumer, improving brand recognition and boosting sales

Weakness:

- Currency losses brought on by exchange rate

volatility

- Large market share with the unorganised sector
- Volatile input prices, raw material prices could affect business profitability

Opportunities:

- increasing demand for tiles as a result of a robust recovery in the residential and commercial real estate sectors
- Enhanced brand recognition to assist expand the opportunity window in Tier I & II cities
- Heterogeneous market where the unorganised sector commands a sizable portion of the market.
- Rising disposable income with consumers would lead to increase in real estate, commercial property purchases
- Government's impetus to affordable housing through PMAY, SCM, AMRUT and Housing for All

Threats:

- Erratic raw material quality
- Rapidly increasing competitiveness between domestic and recognised worldwide companies
- Regulatory Changes, Geopolitical uncertainty
- Growing competition from domestic and established international brands
- Constant changes in technology & Innovation for Tiles manufacturing

Risk, concern and mitigation

The Company has developed a strong and

thorough strategy for identifying risks that could significantly harm its competitive position and profitability. It periodically examines the current risks, works to discover new and developing risks, and develops strategies to take preventive

or corrective actions to mitigate or curtail them within time constraints.

Type	Risk	Mitigation
Demand Risk	The performance of the Company would be impacted by a decline in tile demand.	After years of a slump, the real estate market has started to improve. The demand for tiles is being driven by these opportunities.
Competitive Risk	The industry in which the Company works is relatively fragmented, with both powerful unorganised and organised companies. The industry's promising growth prospects are contributing to the company's increased competitive intensity. The Company's capacity to maintain profitability and financial performance may suffer from growing competitive pressure.	By constantly developing innovative and distinctive items, the company has developed a clear competitive advantage in the market. The Company is able to retain its competitive position in the market thanks to technological capabilities to offer high-quality products and a relentless focus on enhancing cost-efficiencies.
Product Risk	If the products become unpopular, obsolete or unable to adapt to changing consumer preferences, the company's financial performance may be substantially damaged.	The company is well regarded for providing specialised products with distinct features that are founded on in-depth market research and driven by potent R&D capabilities. It has pioneered a number of items in a few niche markets and works to innovate and update product offerings across the board.
Substitution Risk	If the company's products become outdated as a result of the appearance of superior competitors, both its financial performance and continued survival may be substantially impacted.	The Company works to minimize this risk by staying on the cutting edge of technological advancements and new product developments. By offering cutting-edge and cutting-edge products, it is able to capitalise on new opportunities and adapt to the changing business landscape and consumer preferences.

Distribution Risk	Any of the company's distribution locations where the proper product is not always available at the right time could have a detrimental effect on sales volume, financial performance, and market standing.	The Company is present across all of India because of its extensive distribution network there. It has a specialised sales and support team to make sure the proper products are promptly and adequately available at these locations.
Brand reputation Risk	The company's brand reputation allows it to accomplish the needed volume sales and give enough pricing power to sustain its profitability levels despite the industry's sizeable player base.	By implementing a number of activities, such as dealer interaction while releasing goods and executing campaigns to develop deeper connections with dealers and consumers, the company continues to strengthen its brand equity.
Operational Risk	Any adverse internal or external circumstances that disrupt the company's regular business processes could have an effect on both the top and bottom lines. The company has a specialised sales and support team to make sure the proper products are promptly and adequately available at these locations.	For all of its operational and financial functions, the company has built a thorough and reliable internal control system. Regular audit team assessments verify that these controls are strictly followed, allowing the company to achieve desired cost and operational efficiencies.

Internal control systems

According to the size and nature of its operations, the Company has suitable internal control mechanisms. The Management is given overall responsibility for the Company's internal control systems, which are in place to protect assets and guarantee the accuracy of financial records. The Company has a thorough system for controlling its budget, and actual performance is routinely examined to ensure that operational costs are in line with company performance. All areas of activity are covered by the internal audit programme, and management receives quarterly updates on its progress. Internal Auditors provide the Audit Committee with their quarterly report and are invited to the

meeting to address any questions that may be brought up by Committee members. To maintain adequate internal control mechanisms, the Audit Committee examines all financial accounts. The Company has clearly defined internal business rules and procedures, authority levels, and organisational structures.

People at Exxaro

At Exxaro, we are aware that our employees power the success of our Company and in turn, we are committed to empowering theirs. We believe that people management is probably one of the most important leadership skills, as it directly influences productivity, morale and motivation throughout the organisation.



In line with this strategy, we have structured ground-breaking and game-changing innovations for our employees. In our Company, key talented employees have long tenures with the Company, which shows the confidence in our management and growth potential. We believe in offering the ideal platform for growth for all our employees, making them future-ready to take up new challenges that come their way. In line with this tenet, we enable our employees to grow in a learning environment by investing in our people; by attracting the best talent; and by providing a committed, engaged, fulfilling, rewarding and responsible work environment. Our people initiatives for FY2022 majorly focused on enhancing productivity and efficiency. To make the organisation strong, progressive and dynamic, we focus on organisational development, employee engagement and talent management and retention. The long-term culture at Exxaro has been to encourage and develop talent from within. Hence, the human resources team stretches and supports high-

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

Quality Culture

Exxaro Tiles Limited is dedicated to producing creative, high-quality goods that are a source of pride for the business. Having high-quality items helps to keep customers happy and loyal. We have worked to establish our name and experience by providing recognisable, high-quality products and creative solutions for the various demands of our clients, whether they be institutional or retail. We do not simply sell and forget about them. To produce products that meet international standards, we have consistently invested in quality improvement initiatives in line with this approach, which has led to growing popularity not only in India but also in various international markets throughout the world. We constantly invested in our R&D efforts, producing market-leading new goods that popularised Exxaro brands and added value to the marketplace. For long-term income and profitability, quality items are crucial. They

also give you the ability to set and sustain greater prices and attract new clients.

The Company continuously strives to uphold strategic practices that improve its competitive position, financial performance, and shareholder value. A proactive R&D team has occasionally assisted the company in introducing and developing innovative concepts.

Cautionary statement

In accordance with applicable securities laws and regulations, statements in the Management Discussion Analysis that refer to the Company's goals, plans, estimates, and expectations may be deemed to be "forward-looking statements." Results could significantly vary from those stated or inferred. Economic conditions, governmental regulations, and uncontrollable natural disasters are among the variables that could have an impact on the company's operations. The Company disclaims all liability with regard to any future developments, information, or events that may cause the forward-looking statements herein to alter.

Source: IMF (WEO), Business Today, India Brand Equity Forum (IBEF), Outlook India

Source: <https://www.asdreports.com/market-research-report-547785/india-ceramic-tiles-market>

(Source: <https://economictimes.indiatimes.com/industry/services/property/-construction/retirement-and-second-home-market-is-expected-to-grow-at-a-cagr-of-23-63-report/articleshow/89779331.cms>)

(Source: <https://www.timesnownews.com/business-economy/real-estate/pmaydemand-for-pucca-houses-for-urbanhouseholds-increases-article-90352844>)



NOTICE

NOTICE is hereby given that the Fifteen (15th) Annual General Meeting of the Members of Exxaro Tiles Limited (CIN: L26914GJ2008PLC052518) (Formerly known as “Exxaro Tiles Private Limited”) will be held on **Saturday, 17th September 2022 at 02.00 P.M.** Indian Standard Time (“IST”) through Video Conferencing facility/ Other Audio-Visual Means (“VC/OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt :
 - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and the Statutory Auditor thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Report of the Statutory Auditor thereon.
2. To appoint a Director in place of Mr. Kirankumar B. Patel (DIN: 01918094) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mrs. Chitra Kirtivasan as an Independent Director of the Company and if thought fit, to pass, the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and other applicable provisions if any of the Companies

Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and relevant applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and also subject to the provisions of Articles of Association of the Company, Mrs. Chitra Kirtivasan (DIN: 09538577) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors of the Company with effect from 2nd April 2022 and who holds office up-to the date of next annual general meeting and whose appointment as Independent Director is recommended by the Nomination & Remuneration Committee and the Board of Directors of the Company and in respect of whom the Company has received a notice in writing from a member proposing his intention to propose her candidature for the office of Director pursuant to section 160 of the Companies, Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided under section 149(6) of the Act and the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years with effect from 2nd April 2022 and whose office shall not be liable to retire by rotation;

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to give effect to the aforesaid resolution in the best interest of the Company.”

On behalf of the Board of Directors,
EXXARO TILES LIMITED

Mr. Paras Shah

Company Secretary & Compliance Officer
Membership No: ACS 50733

Date: 09th August, 2022
Place: Mahelav

General instructions for accessing and participating in the Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) facility and voting through electronic means including remote e-voting:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and pursuant to relevant Regulations of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, which sets out details relating to Ordinary/ Special Business to be transacted at the meeting, is annexed hereto.
- In terms of Section 152 of the Act, Mr. Kirankumar Bhikhalal Patel (DIN: 01918094) retires by rotation at this meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The Relevant details of the Director proposed to be re-appointed, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) is annexed to this notice.
- Considering the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its Circular dated 14th December, 2021 read together with circulars dated 13th January, 2021, 8th April, 2020, 13th April, 2020 and 5th May, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ("SEBI") vide its Circulars ('SEBI Circulars') has also granted certain relaxations regarding related provisions of the LODR. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company shall be conducted through VC / OAVM. The deemed venue for the AGM will be the registered office of the Company at Survey No 169 & 170, Vavdi Harsol Road, At - Mahelav, Ta.- Talod, Dist.- Sabarkantha, Gujarat-373305, India. Attendance of the Members participating in the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum for the AGM as per section 103 of the Companies Act, 2013.
- In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/ Depositories. The Notice can also be accessed from the websites of the Company i.e. www.exxarotiles.com as well as from the website of Stock Exchanges where Company is listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
- Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to MCA circulars on AGM through VC/OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Attendance Slip, Route Map and Proxy Form are not annexed to this Notice.
- Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the CDSL by email at helpdesk.evoting@cdslindia.com with a copy marked to cs@exxarotiles.com.
- REGISTRATION OF EMAIL ADDRESSES** - Eligible members who have not registered their e-mail addresses are requested to register the same with their Depository Participant ('DP'), if the shares are held in demat form and members holding shares in physical form are requested to provide the same to the Registrar and Transfer Agent.
- Nomination:** As per the provisions of Section 72 of the Companies Act, 2013 the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are advised to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants

in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number.

- To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- In terms of circulars issued by The Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Permanent Account Number Card (PAN Card) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent - Bigshare service Private Limited.
- As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agent, M/s. Bigshares Services Private Limited for assistance in this regard. In view of the above, members are advised to dematerialize shares held by them in physical form.
- Members seeking any information about the financial accounts or any other matter to be placed at the AGM are requested to write to the Company at least 10 days before the Meeting. The same will be replied by the Company suitably.
- The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested maintained under

Section 189 of the Act, shall be available for electronic inspection by the members during the AGM. All other documents referred to in the Notice shall also be made available for inspection in electronic mode.

VOTING THROUGH ELECTRONIC MEANS

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with the circulars issued by MCA and SEBI and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing its members, the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system ("remote e-voting") as well as e-voting during the AGM will be provided by Central Depository Services (India) Limited (CDSL).
- The facility for E-voting through electronic voting system shall also be made available at the venue of the AGM and the members attending the meeting, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting prior to the AGM may attend the AGM but shall not be able to cast their vote again at the AGM.
- Mr. Jignesh Maniar, Proprietor of Jignesh A. Maniar & Associates, Company Secretaries (CP No. 6996) has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, would unblock the votes cast through remote e-voting and through e-voting at the AGM in the presence of at least two witnesses not in employment of the Company and submit, not later than three days of conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman of the meeting or a person authorized by him in writing who shall countersign the same.

5. The results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.exxarotiles.com) and on the website of CDSL (www.evotingindia.com) after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") as well as National Stock Exchange ("NSE") where the shares of the Company are listed.
6. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of **10th September 2022**.
7. The instructions for shareholders voting electronically are as under:
- I. The remote E-voting period commences on **14th September 2022 at 9.00 A.M. IST and ends on 16th September 2022 at 5.00 P.M. IST**. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10th September 2022 may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on
- a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. As per circular of SEBI on e-Voting Facility provided by Listed Entities, dated December 9, 2020, all individual shareholders holding securities in demat mode can cast their vote by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.
- IV. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility

A. Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

B. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form and shareholders holding securities in physical mode:

- I. The shareholders should log on to the e-voting website www.evotingindia.com.
- II. Click on “Shareholders” module.
- III. Now enter your User ID
- IV. For CDSL: 16 digits beneficiary ID,
- V. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- VI. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- VII. Next enter the Image Verification as displayed and Click on Login.
- VIII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- IX. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- X. After entering these details appropriately, click on “SUBMIT” tab.
- XI. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XII. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIII. Click on the EVSN for the relevant “Exxaro Tiles Limited” on which you choose to vote.
- XIV. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XV. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XVI. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XVII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVIII. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XIX. If a demat account holder has forgotten the login password then Enter the User ID and the image

verification code and click on Forgot Password & enter the details as prompted by the system.

XX. Facility for Non – Individual Shareholders and Custodians- Remote Voting

- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address via cs@exxarotiles.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

8. Process for those shareholders whose email / mobile no. are not registered with the Company/ Depositories

- I. For physical shareholders - please provide necessary details like Folio No., Name of shareholder scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR

(self -attested scanned copy of Aadhar Card) by email to Company/RTA email address at cs@exxarotiles.com and bssahd@bigshareonline.com.

- II. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- III. For individual Demat shareholders- please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

INSTRUCTION FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. The procedure for attending the meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Facility of joining the AGM through the VC/ OAVM mode shall open 15 minutes before the scheduled time of commencement of the Meeting and will be available for members on ‘first come first serve’ basis.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at

least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@exxarotiles.com. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. If you have any queries or issues regarding attending AGM & e-voting form the CDSL e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
10. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same

shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

OTHER GUIDELINES/INSTRUCTIONS

1. Any person, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and is holding shares as on the cut-off date, may follow the same instructions/steps as mentioned above for e-voting.
2. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting. Any person who is not a member as on the cut-off date shall treat this Notice for information purpose only.
3. If you have any queries or issues regarding attending AGM & e-voting form the CDSL e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
4. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

On behalf of the Board of Directors,
EXXARO TILES LIMITED

Mr. Paras Shah
Company Secretary & Compliance Officer
Membership No: ACS 50733

Date: 9th August, 2022
Place: Mahelav

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.3

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mrs. Chitra Kirtivasan (DIN: 09538577) as an Additional Director cum Independent Woman Director of the Company with effect from 2nd April, 2022 under Section 161(1) read together with Sections 149, 150 and 152 of the Companies Act, 2013 (as amended) (the "Act") and Schedule IV thereto and Mrs. Chitra Kirtivasan shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as Independent Director for a term upto 5 (five) consecutive years.

The Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 signifying Mrs. Chitra Kirtivasan candidature as an Independent Director of the Company along with requisite deposit. The Company has also received a declaration of independence from Mrs. Chitra Kirtivasan. In the opinion of the Board, Mrs. Chitra Kirtivasan fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for being eligible for her appointment.

Mrs. Chitra Kirtivasan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mrs. Chitra Kirtivasan, aged 63 years, holds a degree in Bachelor of Science from Ranchi University and Bachelor of Education from Delhi University. She has extensive experience and expertise in the financial services sector and has expertise in the fields of banking, finance, real estate and securities market. She has been with Dena Bank since

1983 with various capacity including Branch Manager, Zonal manager and retired as General Manager in June 2019.

Mrs. Chitra Kirtivasan will be entitled to receive sitting fees for attending the meetings of the Board and its committee(s) thereof and/or for any other services whatsoever as may be decided by the Board from time to time, and reimbursement of expenses for participating in the Board and other meetings, in line with the Nomination and Remuneration Policy of the Company.

Considering her knowledge and vast experience in the field of accounts, taxation, Corporate Law, amongst others, the Board of Directors is of the opinion that her association would be of immense benefit to the Company and it would be in the interest of the Company to appoint her as an Independent Director for a period of five consecutive years with effect from 2nd April 2022 to 1st April 2027.

The other details of Mrs. Chitra Kirtivasan in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 are annexed to this Notice.

The terms and conditions of her appointment shall be open for inspection by the members at the registered office of the Company on all working days except Saturday, Sunday and public holiday between 11.00 a.m. to 5.00 p.m. up to the date of the meeting.

Except Mrs. Chitra Kirtivasan and her relatives, none of the Directors or Key Managerial personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

In compliance with the provisions of sections 149, 152, 160 and 161 read with Schedule IV to the Act, the approval of members is being sought for the appointment of Mrs. Chitra Kirtivasan as an Independent Director of the Company. Accordingly the Board recommends the Special Resolution set out at Item No. 3 for the approval of Members.

On behalf of the Board of Directors,
EXXARO TILES LIMITED

Mr. Paras Shah
Company Secretary & Compliance Officer
Membership No: ACS 50733

Date: 9th August, 2022
Place: Mahelav

Details of Directors seeking appointment / reappointment at the General Meeting in pursuance of provisions of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 AND SECRETARIAL STANDARDS – 2):

Name of the Director	Mr. Kirankumar B. Patel	Mrs. Chitra Kirtivasan
Brief Profile	<p>Mr. Kirankumar Patel, aged 36 years, is Whole-time Director and one of the Promoters of our Company. He has been on the Board of Directors since January 24, 2012.</p> <p>He has been appointed as the Whole-Time Director of our Company on January 6, 2021. He does not have a formal education degree.</p> <p>Prior to joining our Company, he was a proprietor of a proprietary concern, M/s. Sunshine Vitrified Tiles from 2006 till 2011.</p> <p>He possesses over 15+ years of experience in sales and marketing operations and in the manufacturing industry.</p> <p>He manages the entire Sales and Distribution process and also leads and monitors the human resources department.</p>	<p>Mrs. Chitra Kirtivasan, aged 63 years, holds a degree in Bachelor of Science from Ranchi University and Bachelor of Education from Delhi University.</p> <p>She has extensive experience and expertise in the financial services sector and has expertise in the fields of banking, finance, real estate and securities market.</p> <p>Mrs. Chitra Kirtivasan has been with Dena Bank since 1983 with various capacity including Branch Manager, Zonal manager and retired as General Manager in June 2019.</p>
DIN	01918094	09538577
Date of Birth	20/06/1984	24/06/1959
Nationality	India	Indian
Date of Appointment on the Board	24/01/2012	02/04/2022
Qualification	-	Bachelor of Science, Bachelor of Education
List of Directorship in other Companies	Exxaro Ceramic Limited	NIL
Chairmanship/ Membership of Committees of other Companies in which he is a Director	NIL	NIL
Shareholding in Exxaro Tiles Limited as on Date	47,02,064 Shares	NIL
Relationship with other Directors, KMPs	NIL	NIL

On behalf of the Board of Directors,
EXXARO TILES LIMITED

Mr. Paras Shah
Company Secretary & Compliance Officer
Membership No: ACS 50733

Date: 9th August, 2022
Place: Mahelav

BOARD'S REPORT

Your Directors take pleasure in presenting the Fifteenth Annual Report and the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended on 31st March, 2022 is summarized below:

Particular	Standalone (₹ In Lakhs)		Consolidated (₹ Lakhs)	
	Year Ended on 31 st March 2022	Year Ended on 31 st March 2021	Year Ended on 31 st March 2022	Year Ended on 31 st March 2021
Revenue from Operations	32,533.84	25,514.49	32,533.84	25,514.49
Profit before Tax	2,615.20	1,716.06	2,614.83	1,716.06
Tax Expense	804.71	193.72	804.71	193.72
Profit After Tax (before Minority interest)	1,810.49	1,522.34	1,810.13	1,522.34
Other Comprehensive Income/expenses	(1.39)	7.59	(1.39)	7.59
Net Profit for the Year	1,809.09	1,529.93	1,808.73	1,529.93

TRANSFER TO RESERVES

The Company has not transferred any amount to general reserves for F.Y. 2021-22.

DIVIDEND

To conserve liquidity for future business operations, Your Directors has not recommended any dividend for the financial year ended March 31, 2022.

DIVIDEND DISTRIBUTION POLICY

In terms of the Regulation 43A of the Listing Regulations the Board of Directors has formulated and approved Dividend Distribution Policy, which is available on the website of the Company at: https://www.exxarotiles.com/wp-content/uploads/2021/08/Dividend-distribution-policy_18082021_Exxaro.pdf.

2. PERFORMANCE HIGHLIGHTS

Your Directors have pleasure to inform you that as compared to the previous year, the revenue from operations of the Company increased from ₹ 25,514.49 Lakhs to ₹ 32,533.84 Lakhs on standalone basis. During the year under review, the Company has earned Net Profit of ₹ 1,809.09 Lakhs as against the Net Profit of ₹ 1,529.93 Lakhs on standalone basis in the previous year, in spite of slowdown in the economy and adverse market conditions due to the impact of COVID-19 pandemic in major part of the world. Your Directors expect to achieve better financial performance in the coming years.

During the under review, the Company has incorporated one subsidiary company which has not started any business operation.

3. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there are is no change in the nature of business of the company.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by rotation

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Kirankumar B. Patel (DIN: 01918094) will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer himself for re-appointment. A detailed profile of Mr. Kirankumar B. Patel, along with additional information required under Regulation 36(3) of Listing Regulations and Secretarial Standard on general meetings is provided separately by way of Annexure to the Notice of the AGM.

Appointment/cessation of Director and KMP

Mrs. Nidhi Gupta, Non-Executive Independent Woman Director of the Company resigned from the Board of Directors of the Company due to her personal reason with effect from 1st April, 2022. The Board places on record its deep appreciation for the valuable contribution made by Mrs. Nidhi Gupta during her tenures as member of Board of the Company.

Mrs. Chitra Kirtivasan has been appointed as an Additional Director designated as Non-executive Independent woman director of the Company w.e.f. 2nd April, 2022 for a period of 5 (Years) years on the terms and conditions as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, subject to the approval of shareholders of the company.

Mr. Dhaval R. Shah, Chief Financial Officer and Key Managerial Personnel of the Company resigned from the Board of Directors of the Company due to his personal reason with effect from 20th May, 2021. The Board places on record its deep appreciation for the valuable contribution made by Mr. Dhaval R. Shah, during his tenures as CFO/KMP of the Company.

Mr. Himanshu P. Shah, has been appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 20th May, 2021 on the terms and conditions as recommended and approved by the Board of Directors of the Company.

The aforesaid appointments were made in compliance of applicable provisions of the Act and Listing Regulations.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March, 2022 are Mr. Mukeshkumar B. Patel, Managing Director, Kirankumar B. Patel, Wholetime Director, Dineshbhai R. Patel, Wholetime Director and Mr. Himanshu P. Shah, Chief Financial Officer and Mr. Paras Shah, Company Secretary & Compliance Officer.

ANNUAL COMPLIANCE AFFIRMATION

Pursuant to the requirements of Regulation 26(3) of Listing Regulations, all members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct for Board of Directors and senior management Personnel.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have furnished declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further there has been no change in the circumstances which may affect their status as Independent Director during the year under review.

MEETING OF BOARD OF DIRECTORS

During under review, 14 (Fourteen) Meetings of the Board of Directors were held in accordance with the provisions of the Companies Act, 2013 and rules made there under and the applicable secretarial standards. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report which forms part of the Annual Report of the Company.

STATEMENT REGARDING INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS

In the opinion of the Board, the Independent Directors possess Excellent rating in respect of clear sense of value and integrity and have requisite expertise and experience in their respective fields.

As per the recent amendments of the Companies Act, 2013 the online proficiency self-assessment test to be conducted by Indian Institute of Corporate Affairs is exempted for the Independent Directors who have served a Company in such capacity for a total year not less than three years. Accordingly, the Company's Independent Directors need to undergo the said test.

EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non- Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable

and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2022 and of the profit of your Company for the year ended on that date;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the accounts for the financial year ended March 31, 2022 have been prepared on a 'going concern' basis;
- internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;
- proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

5. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year under review, the Company has incorporated its new wholly owned subsidiary namely Exxaro Ceramics Limited on December 13, 2021. The Company has invested ₹1 Lakhs in subsidiary to subscribe equity shares.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the Annual Report of the company as **Annexure 1**.

The Company's policy on material subsidiary is available on the Company's website and can be assessed through the weblink at https://www.exxarotiles.com/wp-content/uploads/2021/03/POLICY_ON_MATERIAL_SUBSIDIARIES_AND_GOVERNANCE_OF_SUBSIDIARIES.pdf

The Company has prepared the consolidated financial statements for the year ended 31st March, 2022 along with the above subsidiary as per the

provisions of applicable Accounting Standards and under relevant provisions of the Companies Act Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at www.exxarotiles.com.

CONSOLIDATED FINANCIAL STATEMENTS

The Company has adopted Indian Accounting Standard (Ind-AS) from 1st April, 2020. In accordance with the provisions of the Act and Listing Regulations read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India, the consolidated financial statement forms part of this Annual Report. The audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiaries are available on Company's website at www.exxarotiles.com. These documents are also available for inspection by the Members at the Registered Office of the Company during business hours on all working days.

6. PUBLIC DEPOSITS AND LOANS / ADVANCES

During the year under review, the Company has neither invited nor accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

7. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2021-22 and the date of this report.

8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals or Statutory and quasi-judicial body

impacting the going concern status and the Company's operations in future.

9. INTERNAL FINANCIAL CONTROL SYSTEM

Internal Financial Controls are an integrated part of the risk management process. The Company has adequate internal financial controls in place to address financial and financial reporting risks. The internal financial controls with reference to the financial statements are commensurate with the size and nature of business of the Company.

This internal financial control system is being checked by the Internal Auditors at company's head office and all its plants. The system helps in improving operational and financial efficiency of the Company, safeguarding of assets and prevention and detection of frauds, if any. No material observations have been received from the Internal Auditors of your Company regarding inefficiency or inadequacy of such controls.

During the year, the Company has tested its controls and the same are effectively working. Statutory Auditors' Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, is annexed with the Independent Auditors' Report.

10. MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

11. THE DETAILS OF APPLICATION MADE / PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has no initiated proceedings under Insolvency & Bankruptcy Code, 2016 (IBC) against its customers and as on the date of this Report.

12. SHARE CAPITAL

Authorized Share Capital is ₹ 56,00,00,000 (Rupees Fifty Six Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹ 10/- each and 60,00,000 (Sixty

Lakhs Only) Non-Convertible Preference Shares of ₹ 10/- each.

Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 44,74,10,700 divided into 4,47,41,070 Equity Shares of ₹ 10/- each.

13. FINANCE

In the Month of January, 2022, Axis Bank Limited, Corporate Banking Branch, Ahmedabad, has sanctioned to the Company ECLGS limit up to ₹ 22.00 Crores.

14. INSURANCE

The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties.

15. INITIAL PUBLIC ISSUE (IPO)

During the period under review, the Company had successfully made its Initial Public Offer (IPO) of 1,34,24,000 Equity shares of face value of ₹ 10/- per shares each which includes a fresh issue of 1,11,86,000 equity shares of ₹ 10/-/- and Offer for Sale of 22,38,000 equity shares having face value of ₹ 10/- each.

There was a tremendous response from the market for the IPO of the company which opened on Wednesday, August 04, 2021 and closed on Friday, August 06, 2021.

The issue was subscribed 22.65 times, with the QIB portion getting subscribed by 17.00 times, the non-institutional portion by 5.36 times and the retail portion by 40.00 times. The Main Objects of the IPO are Repayment / prepayment in full or in part, of borrowings availed by our Company, funding working capital requirements and General Corporate purposes.

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on August 16, 2021. The trading of Equity Shares of the Company commenced on BSE Limited and National Stock Exchange of India Limited on August 16, 2021. The success of IPO reflects the trust, faith and confidence

that investors, customers, business partners and markets have reposed in your Company.

Redemption of Preference Shares

During the year under review, the company had redeemed 28,12,529 0% Non-Cumulative, Non-Convertible Redeemable Preference shares, out of which 15,81,670 0% Non-Cumulative, Non-Convertible Redeemable Preference shares redeemed at a price of ₹ 23/- per share (Including a premium of ₹ 13/- per share) and 12,30,859 0% Non-Cumulative, Non-Convertible Redeemable Preference shares redeemed at a price of ₹ 55/- per share (Including a premium of ₹ 45/- per share). Outstanding amount of Preference Share Capital at the end of year is Nil.

Utilization of IPO Proceeds

The IPO proceeds were utilized as per the objects stated in the prospectus of the Company and pursuant to Regulation 32 of the Listing Regulations there was no deviation/variation in utilization of funds raised in respect of the Initial Public Offering of the Company. The Company has appointed Axis Bank as Monitoring Agency in terms of regulation 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 as amended from time to time, to monitor the utilization of IPO proceeds and the Company has obtained monitoring reports from the Monitoring Agency from time to time. The Monitoring Agency Reports' are available at the Company's website at www.exxarotiles.com.

The Company has submitted the statement(s) and report as required under Regulation 32 of the Listing Regulations to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited on timely basis.

A certificate has been obtained from the Statutory Auditors of the Company confirming the utilization of the IPO proceeds as per the objects stated in the prospectus of the Company.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes that a strong internal control framework is necessary for business efficiency, management effectiveness and safeguarding assets. The Company has a well-defined internal control system in place, in alignment with the requirement of Companies Act, 2013 and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to Internal Control Systems, which is designed to provide reasonable assurance related to operation and financial control.

The audit scope, mythology to be used, reporting framework is defined in charter of the Internal Audit, which is approved by the Audit Committee of the Board of Directors. The Internal Auditors evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all the locations of the Company. Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are placed before the Audit Committee of the Board. The Internal Audit also continuously evaluates the various processes being followed by the Company and suggests value addition, to strengthen such processes and make them more effective.

INTERNAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and

policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon were presented to the Audit Committee of the Board.

18. RELATED-PARTY TRANSACTIONS

The Company has formulated a policy on related party transactions which is also available on Company's website at https://www.exxarotiles.com/wp-content/uploads/2021/03/Company_policy_on_RPT.pdf All Related Party Transaction that were entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

During the year under review, material transactions with Related Parties which are at arm's length basis are disclosed in Form AOC-2 and are appended as **Annexure 2** to the Board's Report. The Related Party Transactions Policy is uploaded on the Company's website i.e. www.exxarotiles.com under the section Investor Relations.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is taking all necessary steps for conservation of energy and technology absorption. During the year under review, the Company has earned ₹ 653.33 Lakhs towards export of goods and the company has spent foreign exchange of ₹ 151.29 Lakhs towards import raw material, stores and spares and capital goods etc.

20. ANNUAL RETURN

Pursuant to the provision of Section 92(3) read with Section 134(3)(a) of the Companies Act, the Annual Return as on March 31, 2022 is available on the Company's website at www.exxarotiles.com.

21. PARTICULARS OF EMPLOYEES

The information as per Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure - 3** to the Board's Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

22. CORPORATE GOVERNANCE

In terms of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and the Auditors' Certificate regarding Compliance to Corporate Governance requirements are part of this Annual Report.

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis on matters related to the business performance as stipulated in

the Listing Regulations is given as a separate section in the Annual Report.

24. COMMITTEES OF BOARD

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 read with relevant rules framed thereunder & Listing Regulations:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- IPO Committee

The composition of all such Committees, brief terms of reference, number of meetings held their dates and attendance during the year under review, and other details have been provided in the Corporate Governance Report. All the recommendations made by the Committees were accepted by the Board.

Audit Committee

The Audit Committee comprises of two Independent Directors namely Mr. Daxesh Thakkar (Chairman), Mr. Kamal Dave (Member) and one Non Independent-Executive Director Mr. Mukeshkumar B. Patel (Member). All the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee comprises of three Independent Directors namely Mr. Daxesh Thakkar (Chairman), Mr. Kamal Dave (Member) and Mrs. Nidhi P. Gupta (Member).

The Policy of the Company on Director's appointment and remuneration, specifying criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 of the Companies Act, 2013, adopted by the Board, is available on the website of the Company at www.exxarotiles.com under the heading Investor Relations.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of two Independent Directors namely Mr. Daxesh Thakkar (Chairman), Mr. Kamal Dave (Member) and one Non Independent Executive Director Mr. Kirankumar B. Patel (Member). The Board has constituted a “Stakeholders Relationship Committee” to consider and resolve the grievances of security holders of the company.

IPO Committee:

The IPO committee was constituted by the board of directors at their meeting held on 1st February, 2021 to facilitate the Company to complete various legal, statutory and procedural formalities in relation to the initial public offer and listing of equity shares of the Company.

During the F.Y. 2021-22 the committee has met 2 (Two) times on 27/07/2021& 09/08/2021.

After the listing of equity shares of the Company on August 16, 2021, the Board at its meeting held on 27th October, 2021 has dissolved the IPO Committee as the purpose of the committee was accomplished.

RISK MANAGEMENT COMMITTEE:

The Company is not required to constitute the Risk Management Committee, as the provision of Regulation 21 of the Listing Regulations is not applicable to the Company.

RISK MANAGEMENT POLICY

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formed a Risk Management Policy. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy defines the risk management approach across the enterprise at various levels including documentation and reporting. The Board of Directors reviews the risks appurtenant to the Company yearly and a statement of risks is mentioned under the head Management Discussion and Analysis Report which forms part of this Annual Report.

The Risk Management Policy as approved by the Board is uploaded on the Company's website www.exxarotiles.com under the heading Investor Relations.

VIGIL MECHANISM CUM WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behavior. This Policy is available on the Company's website at www.exxarotiles.com.

25. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of any such complaint of harassment. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees etc.) are covered under this policy. We have not received any sexual harassment complaints during the year 2021-22.

26. CORPORATE SOCIAL RESPONSIBILITY

As per General Circular No.14 /2021 date 25th August, 2021, where the amount required to be spent by a company on CSR does not exceed Fifty Lakhs rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee in such cases, shall be discharged by the Board of Directors of the company. Therefore company did not Comprise CSR Committee. The Board of Directors of the company monitoring the CSR initiatives of the Company. The Board had adopted a CSR Policy. The same is available on Company's website at www.exxarotiles.com.

The Company undertakes initiatives in compliance with Schedule VII to the Act and guidelines, circulars issued by the Government from time to time.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years (i.e. 2018-19, 2019-20 and 2020-21) was ₹ 12,69,15,671/-. During the year under review, the Company has spent ₹ 25,39,120/- on CSR activities against ₹ 25,38,313/- (2% of average net Profits of 3 immediately preceding financial years).The Annual Report on CSR activities is appended as **Annexure-4** to the Board's Report.

27. AUDITORS

Statutory Auditors

M/s. H. B. Kalaria & Associates, Chartered Accountants, were appointed as statutory auditors of the company in the 13th Annual General meeting (AGM) held on 10th November, 2020 to hold office for a term of five years from the conclusion of the 13th Annual General Meeting until the conclusion of the 18th Annual General Meeting of the Company to be held in the year 2025. The Auditor's Report read with notes to the accounts referred to in the Auditor Report are self- explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark. There is no offence of fraud reported by the Statutory Auditors under section 143(12) of the Companies Act, 2013.

Internal Auditor

The Internal Auditor of your Company is appointed by the Board on yearly basis, on the recommendation of the Audit Committee. The findings of internal audit are reported by the Internal Auditor to the Audit Committee on a periodic basis. The scope of internal audit is approved by the Audit Committee.

Mr. Mitesh Koshti, was appointed as the Internal Auditors of the Company to conduct the internal audit for the financial year 2021-22.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Jignesh A. Maniar & Associates, Company Secretaries to conduct the Secretarial Audit of your Company for the financial year 2021-22. The Secretarial Audit Report is annexed herewith as **“Annexure 5”** to this report. There were no qualifications, reservation or adverse comments or disclaimer made by the Secretarial Auditor of the Company in their audit reports. There were no frauds reported by the Secretarial Auditors under Section 143(12) of the Companies Act, 2013.

Details in Respect of frauds reported by the Auditors under Section 143 (12) of Companies Act, 2013:

There are no frauds reported by the Auditor which are required to be disclosed under Section 143(12) of Companies Act, 2013 for the financial year ended March 31, 2022.

28. COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government, in terms of Section 118(10) of the Companies Act, 2013.

29. INSIDER TRADING CODES

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and the amendments thereof, the Company has formulated and amended from time to time, following codes for regulating, monitoring and reporting of trading in shares of the Company by the Promoters, Designated Persons, Key Managerial Personnel, Directors, Employees, Connected Persons and Insiders of the Company.

- Code of Conduct for Prevention of Insider Trading; and

ANNEXURE-1 TO THE BOARD'S REPORT

- b. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The said codes are in accordance with the said Regulations and are also available on the website of the Company. The Company has also adopted the Policy for the determination of Legitimate Purposes as a part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Policy for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information".

- a. Code of Conduct for Prevention of Insider Trading; and
- b. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The said codes are in accordance with the said Regulations and are also available on the website of the Company. The Company has also adopted the Policy for the determination of Legitimate Purposes as a part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Policy for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information".

30. CAUTIONARY STATEMENT

Statements in this 'Board's Report' & 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations including raw material/fuel availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in the Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

31. ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels which was instrumental in sustained performance of the Company. The Directors would also like to express their appreciation for the assistance and co-operation of Central and State Government authorities, bankers, customers, suppliers and business associates. The Directors acknowledge with gratitude, the encouragement and support extended by the Company's valued stakeholders.

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

Mr. Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

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

Date: 9th August 2022
Place: Mahelav

Form AOC- 1
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A"
(Subsidiaries Information in respect of each subsidiary to be presented with amounts in ₹)

Part "A": Subsidiaries: -

Sr. No.	Particulars	Details
1.	Name of the Subsidiary	EXXARO CERAMIC LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	From December 13, 2021 to March 31, 2022*
3.	Reporting currency and	INR
	Exchange rate	N.A.
4.	Share Capital	1,00,000/-
5.	Reserves & surplus	(36,164)/-
6.	Total assets	78,836/-
7.	Total Liabilities	78,836/-
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(36,164)/-
11.	Provision for taxation	Nil
12.	Profit after taxation	(36,164)/-
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

*During the year under review, the Company has incorporated its wholly owned subsidiary namely Exxaro Ceramics Limited on December 13, 2021.

- a) Names of subsidiaries which are yet to commence - None
- b) Names of subsidiaries which have been liquidated or sold during the year - None

ANNEXURE-2 TO THE BOARD’S REPORT

Part “B”: Associates and Joint Ventures: Your Company does not have any associate and Joint Ventures.

- Notes:
- 1. Exxaro Ceramics Limited is yet to commence operations.
 - 2. No Associates and Joint Ventures is yet to commence operations
 - 3. No Subsidiaries, Associates and Joint Ventures which have been liquidated or sold during the year.

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

Date: 9th August 2022
Place: Mahelav

Mr. Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

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

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.

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

- 1. Details of contracts or arrangements or transactions not at arm’s length basis : Nil
- 2. Details of material contracts or arrangements or transactions at arm’s length basis:

Name of Related Party & Nature of Relationship	Nature of Contract/ arrangement/ transactions	Duration Contract / Arrangement / transactions	Silent Terms of the Contract / arrangement / transactions including value if any	Date of Approval by the Board	Amt. Paid as advance if any
Mr. Jigarkumar B. Patel, a relative of Mr. Kirankumar B. Patel, a Director of the Company.	Employment	With effect from 1 st May, 2014	Working as a Head-Purchase. Salary of ₹ 9.25 Lakhs paid during the financial year 2021-22.	28/04/2014	Nil
Mr. Dharmendrabhai D. Patel, a relative of Mr. Dineshbhai R. Patel, a Director of the Company.	Employment	With effect from 1 st May, 2014	Working as a Head-Store. Salary of ₹ 5.78 Lakhs paid during the financial year 2021-22.	28/04/2014	Nil
Mr. Rakeshbhai S. Patel, a relative of Rameshbhai S. Patel, a Director of the Company.	Employment	With effect from 1 st April, 2016	Working as Senior Executive (Raw Material Stores). Salary of ₹ 6.00 Lakhs paid during the financial year 2021-22.	14/04/2016	Nil
Chetanaben M. Patel, a relative of Mr. Mukeshkumar B. Patel, a director of the Company.	Employment	With effect from 1 st April, 2016	Working as Executive (General Admin.) Salary of ₹ 3.00Lakhs Paid during the F.Y. 2021-22.	14/04/2016	Nil
Dimpleben D. Patel, a relative of Mr. Dineshbhai R. Patel, a Director of the Company	Employment	With effect from 1 st April, 2016	Working as Executive (Estate). Salary of ₹ 3.00 Lakhs Paid during the F.Y. 2021-22.	14/04/2016	Nil
Rinkuben K. Patel, a relative of Mr. Kirankumar B. Patel, a Director of the Company.	Employment	With effect from 1 st April, 2016	Working as Co-ordinator (Show Room).Salary of ₹ 3.00Lakhs Paid during the F.Y. 2021-22.	14/04/2016	Nil
Shushilaben R. Patel,a relative of Rameshbhai S. Patel, a director of the Company.	Employment	With effect from 1 st April, 2016	Working as Executive (PR/Local Liaison).Salary of ₹ 3.00Lakhs Paid during the F.Y. 2021-22.	14/04/2016	Nil
Pal M. Patel, a relative of Mr. Mukeshkumar B. Patel, Director of the Company.	Employment	With effect from 1 st April, 2021	Working as Export Manager. Salary of ₹ 1.04 Lakhs Paid During the F.Y. 2021-22.	20/05/2021	Nil

ANNEXURE – 3 TO THE BOARD’S REPORT

Information as per Section 134 and Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board’s Report for the year ended 31st March, 2022.

The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

Name of Person	Title	Remuner- ation in fiscal 2022 (₹ in lakhs)	Remuner- ation in fiscal 2021 (₹ in Lakhs)	No. of Stock Options/ RSUs grant- ed in Fiscal 2022	% increase of remu- neration in 2022 as compared to 2021	Ratio of Remunera- tion of each Director to median re- muneration of employ- ees for the FY 2021-22
Mr.Mukeshkumar B. Patel	Chairman and Managing Director	₹9.25	₹5.78	--	59.95%	6.72
Mr. Kirankumar B. Patel	Whole Time Director	₹9.25	₹5.78	--	59.95%	6.72
Mr. Dineshkumar R. Patel	Whole Time Director	₹9.25	₹5.78	--	59.95%	6.72
Mr. Kamal Dave *	Independent – Non Executive Director	--	--	--	--	--
Mr.Daxesh Thakkar *	Independent – Non Executive Director	--	--	--	--	--
Mrs. Nidhi Gupta *	Independent – Non Executive Director	--	--	--	--	--
Mr. Dhaval R. Shah**	Chief Financial Officer	₹2.80	₹5.10	--	--	2.03
Mr. Himanshu Shah***	Chief Financial Officer	₹25.11	--	--	--	18.25
Mr. Paras Shah	Company Secretary	₹5.61	₹1.21	--	16.25%	4.08

*The remuneration of Non-Executive Directors consists only sitting fee.

** Mr. Dhaval R. Shah, was resigned as Chief Financial Officer on 20/05/2021.

***Mr. Himanshu Shah, was appointed as Chief Financial Officer on 20/05/2021.

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was ₹ 1.38 Lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

II. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year 2021-22, there was an increase of 4.07% in the median remuneration of employees.

III. The number of permanent employees on the rolls of Company:

There were 588 permanent employees on the rolls of the Company as on 31st March, 2022.

IV. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2021-22 was 2.60% whereas there was no increase in the managerial remuneration for the Financial Year 2021-22.

V. Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

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

Date: 9th August 2022
Place: Mahelav

Mr. Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

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

ANNEXURE-4 TO THE BOARD'S REPORT

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

- Brief outline on CSR Policy of the Company:** The Company has a suitable CSR Policy in place specifying the focus areas where the Company intends to do CSR expenditure. The company will undertake various initiatives as its Corporate Social Responsibility in the areas of Health, Education, Community Development and Natural Calamities etc.
- Composition of CSR Committee:** as per the General Circular No. 14 /2021 date 25th August, 2021 Where the amount required to be spent by a company on CSR does not exceed Fifty Lakhs rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the company. Therefore company did not comprise CSR Committee.
- Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** www.exxarotiles.com.
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:** Not Applicable.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	Nil	Nil
2	2019-20	Nil	Nil
3	2018-19	Nil	Nil
	Total	Nil	Nil

- Average net profit of the company as per section 135(5):** ₹12,69,15,617/-
- Two percent of average net profit of the company as per section 135(5):** ₹ 25,38,313/-
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
 - Amount required to be set off for the financial year, if any:** Nil
 - Total CSR obligation for the financial year (7a+7b-7c):** ₹ 25,38,313/-
- (a) CSR amount spent or unspent for the financial year:** 25,39,120/-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	N.A.	N.A.	Nil	N.A.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
25,39,120/-	Nil	NA	High on Life Foundation	5,08,000/-	18/02/2022
	Nil	Nil	Krishna General Hospital	20,31,120/-	17/07/2021

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any: None

Sr. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	25,38,313/-
(ii)	Total amount spent for the Financial Year	25,39,120/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	807/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1	2020-21	N.A.	Nil	N.A.	Nil	N.A.	N.A.
2	2019-20	N.A.	Nil	N.A.	Nil	N.A.	N.A.
3	2018-19	N.A.	Nil	N.A.	Nil	N.A.	N.A.
	Total	N.A.	Nil	N.A.	Nil	N.A.	N.A.

ANNEXURE – 5 TO THE BOARD’S REPORT

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: None

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

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

Mr. Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

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

Date: 9th August 2022
Place: Mahelav

To,
Exxaro Tiles Limited
Survey No. 169 & 170,
Vavdi Harsol Road,
At & Po.: Mahelav,
Taluka: Talod Talod
Sabar Kantha 383305,
Gujarat - INDIA

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Exxaro Tiles Limited (CIN: L26914GJ2008PLC052518) (hereinafter called ‘the Company’). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022(‘Audit Period’) according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31-03-2022
[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]

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(Not applicable to the Company during the Audit Period);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereof;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(Not applicable as the Company has not issued any further share capital during the Audit Period);
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits)Regulations, 2014; (Not applicable to the Company during the Audit Period);
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company did not issue and listed any debt securities and any other such securities during the Audit Period);
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review);

‘ANNEXURE - A’

<p>g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and</p> <p>h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable to the Company during the Audit Period);</p> <p>vi. As confirmed and certified by the management, there is no law specifically applicable to the Company based on the Sectors / Businesses.</p> <p>We have also examined compliance with the applicable clauses of the following:</p> <p>i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1), General Meetings (SS-2) and Dividend (SS-3) issued by The Institute of Company Secretaries of India.</p> <p>ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendments thereof.</p> <p>iii. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>iv. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018</p> <p>During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.</p> <p>We further report that: The Board of Directors of the Company is duly constituted</p>	<p>with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.</p> <p>Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually 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.</p> <p>All decisions at Board Meetings and Committee Meetings of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.</p> <p>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.</p> <p>We further report that during the Audit Period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.</p> <p>For, Jignesh A. Maniar & Associates Company Secretaries</p> <p>Jignesh A. Maniar Proprietor F.C.S. No. 3468 C. P. No. 6996 Place: Ahmedabad Date: 16/06/2022 UDIN: F003468D000500052</p> <p>Note: This report is to be read with our letter of even date which is annexed as 'Annexure - A' and forms an integral part of this report.</p>
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<p>To, Exxaro Tiles Limited Survey No. 169 & 170, Vavdi Harsol Road, At & Po.: Mahelav, Taluka: Talod Talod Sabar Kantha 383305, Gujarat - INDIA</p> <p>Our report of even date is to be read along with this letter.</p> <p>1. The Management of the Company is responsible for maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.</p> <p>2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial Compliance.</p> <p>3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.</p> <p>4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.</p> <p>5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.</p> <p>6. 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.</p> <p>7. 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.</p>	<p>For, Jignesh A. Maniar & Associates Company Secretaries</p> <p>Jignesh A. Maniar Proprietor F.C.S. No. 3468 C. P. No. 6996 UDIN: F003468D000500052</p> <p>Place: Ahmedabad Date: 16/06/2022</p>
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CORPORATE GOVERNANCE REPORT

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The corporate governance philosophy of Exxaro Tiles Limited ('ETL') is based on the tenets of integrity, accountability, transparency, value and ethics. The company is committed to implement sound corporate governance practices with a view to bring transparency, accountability and equity in all facets of its operations and maximizing shareholders value. ETL is committed to achieve the good standards of Corporate Governance on continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aim sat true Corporate Governance. The Company believes that good corporate governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

In keeping with this responsibility, we continuously review our Corporate Governance framework and practices, to uplift them to align them with the best across the globe. The Company's Code of Conduct and Ethics and the Code of Conduct for Prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business practices.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given herein below:

2. BOARD OF DIRECTORS

The Company firmly believes that an active, well-informed and independent Board is necessary to ensure

Sr. No.	Name of Director	Category	Directorship in other Company*	Committee Chairmanship	Committee Membership
1	Mr. Mukeshkumar B. Patel	Chairman & Managing Director	1	None	1
2	Mr. Kirankumar B. Patel	Whole Time Director	1	None	1
3	Mr. Dineshkumar R. Patel	Whole Time Director	2	None	None

the high standards of Corporate Governance in order to bring objectives and transparency in the Management. The Board of Directors along-with their Committees are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has vested with the requisite powers, authorities and duties.

In terms of the requirement of the provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Nomination and Remuneration Committee has been designated to evaluate and recommend the Board, the need for change in the composition and size of the Board of the Company and to select members for filling the Board vacancies and nominating candidates for election by the shareholders at the General Meeting/Postal Ballot of the Company.

a. Composition of Board

The Board comprises of members having varied skills, experience and knowledge. The Board as a mix of both Independent and Non-independent Directors as on March 31, 2022, the Board of Directors of the Company comprised of six Directors, with three Independent Directors and three Non-Independent Directors with one woman Director. The chairman of the company is Executive non Independent Director. The size and composition of the Board conforms to the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of Directors and their other Directorships/Committee Memberships in other Companies are as follows:

Sr. No.	Name of Director	Category	Directorship in other Company*	Committee Chairmanship	Committee Membership
4	Mr. Kamal Dave	Independent - Non Executive Director	None	None	3
5	Mr. Daxesh Thakkar	Independent - Non Executive Director	1	3	3
6	Mrs. Nidhi Gupta	Independent - Non Executive Director	None	None	1

*Excludes the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013. Mr. Dineshkumar R. Patel is a director in two unlisted Company and Mr. Mukeshkumar B. Patel, Mr. Kirankumar B. Patel and Mr. Daxesh Thakkar is a director in one unlisted Company.

b. Attendance of Directors at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting (AGM)

The attendance record of each Director at the Board Meetings held during the year 2021-22 and at the last Annual General Meeting is as follows:

Sr. No.	Name of Director	No. of Board Meeting	Whether Attended last AGM	
			Held	Attended
1	Mr. Mukeshkumar B. Patel	14	14	Yes
2	Mr. Kirankumar B. Patel	14	14	Yes
3	Mr. Dineshkumar R. Patel	14	14	Yes
4	Mr. Kamal Dave	14	14	Yes
5	Mr. Daxesh Thakkar	14	14	Yes
6	Mrs. Nidhi Gupta	14	12	Yes

c. Meetings of the Board of Directors

The Board meets at least once in every quarter, in compliance of applicable laws, to discuss and decide on, inter-alia, business strategies/policies and review the financial performance of the Company and its subsidiaries and other items on agenda. Additional meetings are held from time to time as and when necessary.

The notice of each Board Meeting is given in writing to each Director of the Company. The agenda along with the relevant notes and other material information are sent to each Director in advance and in exceptional cases

tabled at the meeting. Also, the Board meetings of the Company have been held with proper compliance of the provisions of Companies Act, 2013, Listing Regulations and Secretarial Standards, as applicable thereon.

Fourteen (14) Board Meetings were held during the financial year 2021-22 on 20th May 2021, 18th June 2021, 1st July 2021, 8th July 2021, 15th July 2021, 27th July 2021, 9th August 2021, 12th August 2021, 18th August 2021, 28th September, 2021, 27th October 2021, 24th November 2021, 27th January 2022 and 8th February 2022. The necessary quorum was present at all the meetings. The agenda papers were circulated well in advance of each meeting of the Board of Directors.

d. Separate Meeting for Independent Directors

Regulation 25(3) of Listing Regulation and Section 149(8) of the Act read with Schedule IV of the Act the Independent Directors of the Company met once in a financial year without the presence of Executive Directors and Management Personnel. Such meeting reviews the performance of Non-Independent Directors and the Board as a whole, reviews the performance of Chairman of the Board, access the quality, quantity and timeliness of the flow of information between management and the Board that is necessary to effectively and reasonably perform its duties. A meeting of Independent Directors was held on 08th February, 2022 during FY 2021-22.

e. Disclosure of relationships between directors inter-se

None of the Directors is/are in any way related.

f. Details of shareholding of Non-Executive Directors as on March 31st 2022

Name of Non-Executive Director	No. of shares held
Mr. Kamal Dave	Nil
Mr. Daxesh Thakkar	Nil
Mrs. Nidhi Gupta	Nil

g. Web link for details of familiarization programs imparted to Independent Directors

The details of familiarization programs imparted to Independent Directors are available on Company's website viz. https://www.exxarotiles.com/wp-content/uploads/2022/07/Familiarisation_programmer_for_director.pdf

h. Detail of skills/ expertise/ competence of the Board of Directors

- (i). The Board of Directors has identified certain parameters in the context of Company's business to measure the skills, expertise and competence of the Directors. These parameters include:

- Positive attitude
- Attention or concern for shareholder's interest
- Promptness
- Contribution in improving financial and other functions of the Company
- Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures
- Understanding of laws having impact on Company's business and Tile industry as a whole
- Clear sense of values and integrity
- Implementation of policies and procedures as set out by the Board
- Efforts in promoting and expanding the business
- Brand Building and establishing a respectable place in the market
- Controlling of various functions across the Company and ensuring their proper functioning
- Ensuring smooth business operations across all the units of Company.

The Board of Exxaro Tiles Limited is a diversified board. The Directors hold adequate qualification and experience and possess specialization in their respective fields. Each of the Directors is skilled, expert and competent in the area of his/her specialization and provides considerable contribution and support in operations of the Company.

(ii). A chart or a matrix setting out the skills/expertise/competence of the Board of Directors:

Sl. No.	Name of Director	Skills / Expertise / Competencies
1	Mr. Mukeshkumar B. Patel	Positive attitude, Promptness, Contribution in improving financial and other functions of the Company, Clear sense of values and integrity
2	Mr. Kirankumar B. Patel	Positive attitude, Brand Building and establishing a respectable place in the market, Implementation of policies and procedures as set out by the Board
3	Mr. Dineshkumar R. Patel	Implementation of policies and procedures as set out by the Board, Ensuring smooth business operations across all the units of Company.
4	Mr. Kamal Dave	Contribution in improving financial and other functions of the Company
5	Mr. Daxesh Thakkar	Understanding of laws having impact on Company's business and Tile industry as a whole
6	Mrs. Nidhi Gupta	Contribution in improving financial and other functions of the Company and Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures

- i. In the Opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- j. No Independent Director has resigned during the financial year 2021-22.

statements and adequacy of internal control systems, reviewing the adequacy of internal control function, discussions with the Internal and Statutory Auditors about the scope of audit including the observations of Auditors and discussion with them on any significant findings.

All the members of Audit Committee are financially literate. As at 31st March, 2022, Mr. Daxesh Thakkar, Independent Director, an expert in the fields of Finance, General Management and business processes, is the Chairman of the Audit Committee with Mr. Kamal Dave, a qualified Chartered Accountant and Mr. Mukeshkumar B. Patel as its member. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended on March 31, 2022, Four Audit Committee Meetings were held on 18th June, 8th July 2021, 27th October, 2021, 27th January, 2021 respectively. The summary of attendance is as under:

Sr. No.	Name of Directors	Category	Nos. of Meeting	
			Held	Attended
1	Mr. Daxesh Thakkar	Independent, Non-Executive	4	4
2	Mr. Kamal Dave	Independent, Non-Executive	4	4
3	Mr. Mukeshkumar B. Patel	Executive Director	4	4

4. Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors.

The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel; formulation of criteria for evaluation of

Independent Directors and the Board; devising a policy on Board's diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The composition of the Committee as at 31st March, 2022 was Mr. Daxesh Thakkar as Chairman and Mr. Kamal Dave and Mrs. Nidhi Gupta as its members. The Company Secretary acts as the Secretary of the committee.

During the year under review one meeting of members of 'Nomination and Remuneration Committee' was held on 27th January 2022. The summary of attendance is as under:

Sr. No.	Name of Directors	Category	Nos. of Meeting	
			Held	Attended
1	Mr. Daxesh Thakkar	Independent, Non-Executive	1	1
2	Mr. Kamal Dave	Independent, Non-Executive	1	1
3	Mrs. Nidhi Gupta	Independent, Non-Executive	1	1

The performance evaluation of Independent Directors is carried out on the basis of criteria, in the form of parameters, set up by the Board of Directors. These parameters include Positive attitude and promptness, Contribution in improving financial and other functions of the Company, Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures, Understanding of laws having impact on Company's business and Tile industry as a whole and clear sense of values and integrity.

Kirankumar Patel as its other two members. Mr. Paras Shah, Company Secretary acts as the Compliance Officer and Secretary of the Committee.

The Committee is entrusted with the power to approve the share transfers, issue of duplicate share certificates, issue of new share certificates upon consolidation of shares, split of shares and also to resolve the grievances of members including complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

During the year ended March 31, 2022 only one Committee Meeting was held on 27th January 2022. The summary of attendance is asunder:

Sr. No.	Name of Directors	Category	Nos. of Meeting	
			Held	Attended
1	Mr. Daxesh Thakkar	Independent, Non-Executive	1	1
2	Mr. Kamal Dave	Independent, Non-Executive	1	1
3	Mr. Kirankumar B. Patel	Executive Director	1	1

No complaint was pending at the beginning of the financial year i.e. on 1st April 2021. During FY 2021-22, the Company has received 785 complaints and it is resolved, no complaint is pending for disposal as at 31st March, 2022.

RISK MANAGEMENT COMMITTEE:

The Company is not required to constitute the Risk Management Committee, as the provision of Regulation 21 of the Listing Regulations is not applicable to the Company.

6. Remuneration of Directors

In accordance with the principles of transparency and consistency, the Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management. The Policy is available on the website of the Company at www.exxarotiles.com.

The elements of remuneration package of Executive Directors include salary, perquisites, provident fund, etc. and is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. The Non-Executive Directors are paid remuneration in the form of sitting fees.

The detail of remuneration paid to the Directors during the financial year 2021-22 is as follows:

(Amount in Lakhs)

Name of Director	Salary+HRA	Provident fund	NPS	Perquisite	Commission	Sitting Fees	Total
Mr. Mukeshkumar B. Patel	9.30	0.20	--	--	--	--	9.50
Mr. Kirankumar B. Patel	9.30	0.20	--	--	--	--	9.50
Mr. Dineshkumar R. Patel	9.30	0.20	--	--	--	--	9.50
Mr. Kamal Dave	--	--	--	--	--	--	--
Mr. Daxesh Thakkar	--	--	--	--	--	--	--
Mrs. Nidhi Gupta	--	--	--	--	--	--	--

7. General Body Meetings

(a) Detail of last three Annual General Meetings:

Year	Location	Day and Date	Time	Special Resolution
2018-19	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat - 383305.	Monday, 30 th September 2019	2.00 PM	NIL
2019-20	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat - 383305.	Tuesday, 10 th November 2020	11.00 AM	1. Increase in Authorized Capital from ₹ 41.00 Crores to ₹ 56.00 Crores.
2020-21	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat - 383305.	Monday, 05 th July 2021	11.00 AM	NIL

Extra-Ordinary General Meeting (EGM):

Detail of last three Extra Ordinary General Meetings:

Year	Location	Day and Date	Time	Special Resolution
2018-19	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat – 383305.	Monday, 23 rd April 2018	11.00 AM	NIL
	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat – 383305.	Thursday, 05 th July 2018		NIL
2019-20	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat – 383305.	Tuesday, 25 th May 2019	11.00 AM	1. Adoption of New Set of Article of Associations
2020-21	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat – 383305.	Wednesday, 09 th December, 2020	11.00 AM	1. Conversion from Private to Public Company
	Registered Office situated at Survey No: 169 & 170, Vavdi Harsol Road, Maheav, Ta.- Taldo, Dist.- Sabarkantha, Gujarat – 383305.	Monday, 18 th January 2021	11.00 AM	1. Appointment of Mr. Kamal Aniruddh Dave as an Independent Director of the Company. 2. Appointment of Mrs. Nidhi Praveen Gupta as an Independent Director of the Company. 3. Appointment of Mr. Daxesh Manaharlal Thakkar as an Independent Director of the Company. 4. Appointment of Mr. Mukeshkumar Babubhai Patel as Managing Director of the Company. 5. Appointment of Mr. Kirankumar Bhikhalal Patel as Whole Time Director of the Company. 6. Appointment of Mr. Dineshkumar Ramanlal Patel as Whole Time Director of the Company.

Year	Location	Day and Date	Time	Special Resolution
				7. Initial Public Offer of equity shares of the company.
				8. Increase in borrowing power in terms of Section 180 (1) (c) of the Companies Act, 2013.
				9. Increase power to create charge/ Mortgage over the properties of the Company for the purpose of borrowing in the terms of section 180 (1)(a) of the Companies Act ,2013.
				10. Acceptance of Deposits from Members and/or Public u/s 73 and 76 of the Companies Act, 2013.
				11. Authority to the Board of Directors to grant loan and/or give guarantee or provide security and/or make investments.
				12. Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.

- (b) All the above mentioned special resolutions were passed unanimously.
- (c) During the year ended 31st March, 2022, no resolution was passed through postal ballot.
- (d) Person who conducted the postal ballot exercise: Not Applicable.
- (e) Whether any special resolution is proposed to be conducted through postal ballot: No resolution whether Special/ Ordinary Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

8. Means of communication

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of your Company's corporate governance ethos. Your Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information

on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

The quarterly, half-yearly and annual financial results of the Company are submitted with the BSE Limited and National Stock Exchange of India where the equity shares of the Company are listed, and the same are published in leading newspapers viz. Financial Express (English All Edition) and Financial Express (Gujarat, Ahmedabad Edition) in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The results are also posted on Company's website viz. <https://www.exxarotiles.com>. The website of the Company also displays the information of the Company's products, dealers, availability among others. Presentations if made to the institutional investors and analysts, are also disseminated on the website of the Company.

The Company also dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of

Regulation 46 (2) (j) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 namely cs@exxarotiles.com which is also displayed on the Company's website viz. www.exxarotiles.com.

Annual Listing Fee: The Company has paid the requisite Annual Listing Fee to BSE and NSE for the financial year 2021-22 within stipulated time.

9. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting:

Date, Time and Venue of the 15th Annual General Meeting: 17th September, 2022 at 02.00 PM through VC/OAVM.

(b) Financial Year : 1st April to 31st March

(c) Dividend Payment Date:

Your Directors has not recommended any dividend for the financial year ended March 31, 2022.

(d) the name and address of each stock exchange:

Presently, the Equity Shares of the Company are listed on the following Stock Exchanges:

Name of Stock Exchange	Stock Code
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	543327
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	EXXARO

(f) Market price data

The monthly high and low price of shares traded on the BSE Ltd and the National Stock Exchange of India Ltd are as follows

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
Aug-21	145.45	120.00	21,60,841	145.00	120.00	1,21,25,175
Sept-21	168.15	128.75	24,08,639	168.30	128.90	1,88,02,567
Oct-21	172.50	143.50	15,66,063	172.70	143.30	1,12,78,679
Nov-21	162.65	139.00	7,73,514	162.95	139.10	68,87,070
Dec-21	154.45	134.50	5,26,614	154.50	135.15	48,13,485
Jan-22	147.20	126.45	2,86,518	147.40	126.55	24,72,541
Feb-22	135.50	102.00	2,47,289	135.45	98.45	24,78,700
Mar-22	122.95	107.40	2,83,955	123.65	107.10	27,07,182

(e) Financial reporting for financial year 2022-23 is as follows:

Un-audited financial results for the quarter ended 30.06.2022	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 30.09.2022	Will be announced within 45 days of the end of the quarter.*
Un-audited financial results for the quarter ended 31.12.2022	Will be announced within 45 days of the end of the quarter.*
Fourth quarter/ Annual financial results	Audited financial results will be announced within 60 days of the end of the financial year.*

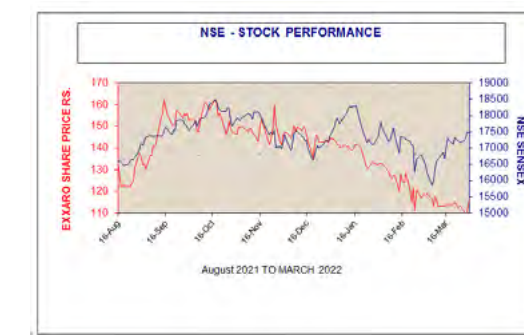
* The reporting date may change according to the time limit allowed by law.

(g) Stock price performance:

The performance of Company's Equity Shares during 2021-22 in comparison to BSE's Sensex was as follows:



The performance of Company's Equity Shares during 2021-22 in comparison to NSE Nifty was as follows:



(h) In case, the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

(i) Registrar and Share Transfer Agent:

M/s. Bigshare Services Private Limited

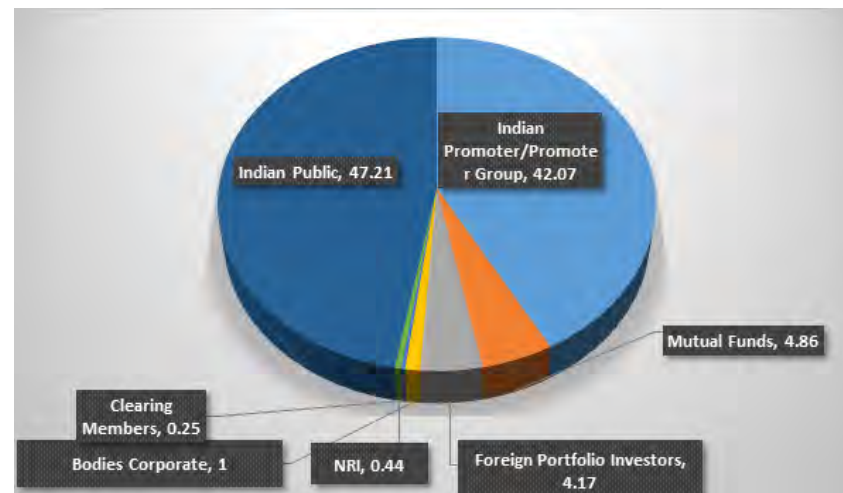
1st Floor Opp. Vasant Oasis, Bharat Tin Works Building,
Makwana Road, Marol, Andheri East,
Mumbai-400059, Maharashtra.
Mo No: 02262638200
Email id: admission@bigshareonline.com

(j) Share transfer system:

The 100% equity shares of the company are in dematerialised form. Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialised form. Further, pursuant to amendment in Regulation 40(1) of the Listing Regulations, effective from 1st April, 2019, no shares can transferred in physical mode and any request for transfer of shares shall be processed for shares held in dematerialised form only.

Shareholding Pattern as on March 31, 2022:

Category	No of Shares held	% of Shareholding
Promoter/Promoter Group:		
Indian Promoters	1,88,21,131	42.07
Institutional Investors & Others:		
Mutual Funds	21,73,410	4.86
Foreign Portfolio Investors	18,66,700	4.17
Bodies Corporate	4,48,185	1.00
Clearing Members	1,11,918	0.25
NRI	1,96,767	0.44
Indian Public	2,11,22,959	47.21
Total	4,47,41,070	100.00



(k) Distribution of shareholding as on March 31, 2022:

No of Shares	Total Members	% of Total Members	Total Shares	% of Total Shares
Up to 5,00	37,830	95.1650	34,69,962	7.7557
501 to 1,000	1,037	2.6087	8,16,596	1.8252
1,001 to 2,000	480	1.2075	7,12,415	1.5923
2,001 to 3,000	124	0.3119	3,23,299	0.7226
3,000 to 4,000	71	0.1786	2,50,910	0.5608
4,001 to 5,000	47	0.1182	2,18,853	0.4892
5,000 to 10,000	68	0.1711	5,08,038	1.1355
More than 10,001	95	0.2390	3,84,40,997	85.9188
Total	39,752	100.00	4,47,41,070	100.00

(l) Dematerialization of shares and liquidity:

The Equity Shares of the Company are in compulsory DEMAT mode. In order to enable the members to hold their shares in electronic form and to facilitate script-less trading, the Company has enlisted its shares with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Status of dematerialization as on March 31, 2022:

Electronic holdings			Physical holdings			Total		
No.of Folios	No.of shares	%	No.of Folios	No.of shares	%	No.of Folios	No.of shares	%
39,752	4,47,41,070	100.00	NIL	NIL	NIL	39,752	4,47,41,070	100.00

ISIN number allotted by NSDL and CDSL: INEOGFE01018

(m) Outstanding GDRs/ADRs /Warrants: There are no Global Depository Receipts (GDRs)/American Depository Receipts (ADRs) or any convertible instrument pending for conversion.

(n) Commodity price risk or foreign exchange risk and hedging activities: During the year 2021-22, the Company had managed the foreign exchange risk involving foreign currency though this was not a significant amount. The details of foreign currency exposure are disclosed in note no. 38 to the Annual Accounts.

(o) Plant locations;

- Plot No.204-205, Opp. Hanuman Temple, At & Post: Dabhasa, Ta: Padra, Vadodara, Gujarat -391440.
- Survey No. 169 & 170, Vavdi Harsol Road, At & Po: Mahelav, Ta:- Talod, Dist:- Sabarkantha, Gujarat, 383305.

(p) Registered Office & Address for correspondence:

Survey No. 169 & 170, Vavdi Harsol Road, At & Po: Mahelav, Ta:- Talod, Dist:- Sabarkantha, Gujarat, 383305

(q) List of all Credit Ratings obtained by the Company along with any revisions thereto during the relevant financial year:

During the financial year 2021-22, the Company has obtained following Credit rating:

Facilities	Previous Rating	Current Rating
Long term Bank Facilities (Fund Based)	BWR BBB+ / Stable Reaffirmation	BWR BBB+ / Stable to Positive Reaffirmation
Short Term Banks Facilities (Non Fund Based)	BWR A3+ Reaffirmation	BWR A2 Upgrade

The based on BRICKWORK Ratings' on the bank facilities as mentioned above, the Credit Rating of the Company has been upgraded.

Subsidiary Companies:

As on 31st March, 2022, the Company does not have any material unlisted subsidiary company as defined under the Listing Regulations.

10. Other Disclosures:

- (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors and/or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large: Transactions with related parties are disclosed in detail in Notes in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.

(b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority (ies), on any matter related to capital markets, during the last three years: NIL

(c) Whistle Blower Policy/ Vigil mechanism: The Company has adopted a Whistle-Blower Policy/ Vigil mechanism, which provides a formal mechanism for all employees of the Company to make protected disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No personnel of the Company has been denied access to the Audit Committee.

(d) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements:

Mandatory Requirements:

The Company has complied with the mandatory requirements as applicable under the Listing Regulations. The Company has also obtained a certificate from M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad to that effect and the same is also attached to this Report.

Non-mandatory Requirements:

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II under the Part E of the Listing Regulations:

Sl. No.	Particulars of discretionary requirements	Details
A	The Board: As per para A of Part E of Schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.	The Chairman of the Company is an Executive (Managing) Director and hence, this provision is not applicable.
B	Shareholders Rights: A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	The Company displays the quarterly and half yearly results on its web site and also publishes the results in widely circulated newspapers. The Company also makes available the voting results of the shareholders' meetings on its website, and reports the same to Stock Exchanges. The quarterly and half yearly results are not sent to each household of the shareholders.
C	Modified opinion(s) in audit report: The listed entity may move towards a regime of financial statements with unmodified audit opinion.	The Company's financial statements for the Financial Year 2021-22 do not contain any modified audit opinion.
D	Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	The Internal Auditor regularly reports to the Audit Committee.

(e) The policy for determining 'Material' Subsidiaries can be accessed at https://www.exxarotiles.com/wp-content/uploads/2021/03/POLICY_ON_MATERIAL_SUBSIDIARIES_AND_GOVERNANCE_OF_SUBSIDIARIES.pdf

(f) The policy on dealing with related party transactions can be accessed from the website: https://www.exxarotiles.com/wpcontent/uploads/2021/03/Company_policy_on_RPT.pdf

(g) Commodity price risk or foreign exchange risk and hedging activities: During the year 2021-22, the Company had managed the foreign exchange risk involving foreign currency though this was not a significant amount. The details of foreign currency exposure are disclosed in note no. 38 to the Annual Accounts.

(h) Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations: During the year, the Company did not raise any funds by way of preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

(i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority: The said certificate is attached with this Annual Report.

(j) The board had not accepted any recommendation of any committee of the board which is mandatorily required: During the financial year, there were no such instances.

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

During the financial year 2021-22, total fees paid, by the Company to the Statutory Auditors (M/s. M/s. H. B. Kalaria & Associates) is ₹ 4.25 lacs.

During the financial year 2021-22, total fees paid, by the subsidiary company to the Statutory Auditors (M/s. H. B. Kalaria & Associates) is ₹ 0.15 lacs

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year: NIL

b. Number of complaints disposed of during the financial year: NIL

c. Number of complaints pending as on end of the financial year: NIL

(m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Nil

(n) Code of Conduct: The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company i.e. www.exxarotiles.com

(o) CEO Certificate: The Managing Director and the Chief Financial Officer of the Company has furnished the requisite certificate to the Board of Directors under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

11. Non-compliance of any requirement of corporate governance report sub-paras (2) to (10) of Part C of Schedule V of Listing Regulations: Nil

12. Details of discretionary requirements adopted by the Company as specified in Part E of Schedule II: The Company complies with the following non-mandatory requirements:

i) Reporting of the Internal Auditor to the Audit Committee
ii) Unqualified Financial Statements

13. Compliance with Corporate Governance requirements: The Company has complied with the mandatory requirements of Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

14. Code of Conduct: The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company i.e. www.exxarotiles.com

15. CEO Certificate: The Managing Director and the Chief Financial Officer of the Company has furnished the requisite certificate to the Board of Directors under

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

Exxaro Tiles Limited

Survey No. 169 & 170,
Vavdi Harsol Road,
At & Po.: Mahelav,
Taluka: Talod Talod
Sabar Kantha 383305,
Gujarat - INDIA

We have examined the compliance of conditions of Corporate Governance by **Exxaro Tiles Limited** ('the Company') for the year ended March 31, 2022, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as per Listing Regulations.

Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

In our opinion, and to the best of our information and according to the explanations given to us and representation provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations for the year ended March 31, 2022.

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

The Certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirements of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For, Jignesh A. Maniar & Associates
Company Secretaries

Jignesh A. Maniar

Proprietor

F.C.S. No. 3468

C. P. No. 6996

UDIN: F003468D000500041

Place: Ahmedabad

Date: 16/06/2022

Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said certificate is attached with this Annual Report.

16. Compliance certificates from the auditors and practicing company secretaries regarding compliance of conditions of corporate governance: The said certificates are attached with this Annual Report.

17. Disclosures with respect to demat suspense account/ unclaimed suspense account:

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL

(c) number of shareholders to whom shares were transferred from suspense account during the year: NIL

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

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

Mr. Mukeshkumar B. Patel

Managing Director

(DIN: 01944968)

Date: 9th August 2022

Place: Mahelav

CEO & CFO CERTIFICATE

To,
The Board of Directors of
Exxaro Tiles Limited
(CIN: L26914GJ2008PLC052518)
Survey No. 169 & 170, Vavdi Harsol Road,
At & Po.: Mahelav, Ta. Talod,
Dist.- Sabarkantha, Gujarat – 383305.

Dear Sirs,

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement of Exxaro Tiles Limited for the year ended 31st March, 2022 and that to the best of our knowledge and belief we state that:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company'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 Company during the year ended 31st March, 2022, which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- significant changes in internal control over financial reporting during the year ended 31st March, 2022;
 - significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances to significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Date: 17th June 2022
Place: Mahelav

Mr. Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

Mr. Himanshu Shah
Chief Financial
Officer

DECLARATION

As provided under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Exxaro Tiles Limited Code of Business Conduct and Ethics for the year ended 31st March, 2022.

For, EXXARO TILES LIMITED

Date: 17th June 2022
Place: Mahelav

Mr. Mukeshkumar B. Patel
Managing Director
(DIN: 01944968)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
Exxaro Tiles Limited
Survey No. 169 & 170,
VavdiHarsol Road,
At & Po.: Mahelav,
Taluka: TalodTalod
SabarKantha 383305,
Gujarat - INDIA

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of “**Exxaro Tiles Limited**” having **CIN: L26914GJ2008PLC052518** and having its registered office at Survey No. 169 & 170, Vavdi Harsol Road, At & Po.: Mahelav, Taluka Talod., Sabarkantha, Gujarat, 383305 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that **none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:**

Sr. No	Name of Director	DIN	Date of appointment in Company
1	DINESHBHAI RAMANLAL PATEL	Wholetime Director	06/08/2014
2	KIRANKUMAR BHIKHALAL PATEL	Wholetime Director	24/01/2012
3	MUKESHKUMAR BABUBHAI PATEL	Managing Director	24/01/2012

AUDITOR CERTIFICATE

Sr. No	Name of Director	DIN	Date of appointment in Company
4	DAXESHKUMAR MANHARLAL THAKKAR	Independent Director	05/01/2021
5	KAMAL DAVE	Independent Director	05/01/2021
6.	NIDHI GUPTA*	Independent Director	05/01/2021

*Mrs. Nidhi Gupta has resigned from the post of Independent Director w.e.f. 01st April 2022.

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

For, Jignesh A. Maniar & Associate
Company Secretaries
(C. P. No. : 6996)

Jignesh A. Maniar
(FCS No. : 3468)
UDIN: F003468D000402009

Date : 27/05/2022
Place : Ahmedabad

To,

Members of Exxaro Tiles Limited

1. We, H. B. Kalaria & Associates, Chartered Accountants, the Statutory Auditors of EXXARO TILES LIMITED (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

MANAGEMENT’S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

AUDITORS’ RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
8. We state that such compliance 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,
HB Kalaria and Associates
Firm Reg. No. 104571W
Chartered Accountants

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN: 22042002AKCUTC5145

Place: Rajkot
Date: 02/06/2022

INDEPENDENT AUDITOR’S REPORT

To the Members of **Exxaro Tiles Limited**
(Formerly known as “Exxaro Tiles Private Limited” and
“RICASIL Ceramic Industries Pvt. Ltd.”)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Exxaro Tiles Limited (“the Company”)** (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows, and Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined that there are no other key audit matters to communicate in our report except as stated in Emphasis of Matter below.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

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

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

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

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

Responsibility of Management 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 accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibility for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 36 to the standalone financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or

entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material misstatement.
- The Company has not paid any dividends during the year and hence, the provisions of Section 123 of the Act are not applicable to the Company.

For,

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

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN:22042002AJSBRU2090

Place: Rajkot
Date: 27/05/2022

Annexure A

Referred to in the section Report on Other Legal and Regulatory Requirements on of the Independent Auditors' Report of even date to the members of Exxaro Tiles Limited (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) on the standalone financial statements as of and for the year ended March 31, 2022

- (i) reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate and discrepancies of 10% or more in aggregate for each of the class of inventory were not noticed on physical verification.
- (a) In respect of its property, plant, and equipment:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of its intangible assets.
- (b) The Company has a programme of verification of property, plant and equipment to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified by the Management during the current reporting period. 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 and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its property, plant and equipment during the reporting period and hence, clause (i)(d) of the Order is not applicable.
- (e) As explained to us by the management of the Company, there have not been any proceedings initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder during the current reporting period or as at the balance sheet date.
- (ii) As per the information and explanation given to us physical verification of inventory has been conducted at
- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; the quarterly returns/statements filed by the Company with the banks during the reporting period are in agreement with the books of accounts of the Company.
- (iii) According to the information and explanations given to us, the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year, in respect of which:
- (a) In our opinion, the Company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity and hence, reporting under clause (iii)(a) of the Order is not applicable.
- (b) In our opinion and as per the explanations provided to us, the investment made by the Company are, prima facie, not prejudicial to the Company's interest.
- (c) In our opinion, the Company has not provided any loan to any party and hence, reporting under clause (iii)(c) of the Order is not applicable.
- (d) In our opinion, the Company has not provided any loan to any party and hence, reporting under clause (iii)(d) of the Order is not applicable.
- (e) In our opinion, the Company has not provided any loan to any party and hence, reporting under clause (iii)(e) of the Order is not applicable.

- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (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 Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the current reporting period in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Hence, reporting under clause (v) of the Order is not applicable.
- (b) Details of statutory dues which have not been deposited as at the balance sheet date on account of disputes are given below:
- (vi) In our opinion, the provisions for maintenance of cost records under section 148(1) of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause (vi) of the Order is not applicable.
- (vii) In our opinion and 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 Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities apart from a few delays in the payment of income tax and provident fund.
- There were no undisputed amounts payable in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

Name of statute	Nature of dues	Forum where dispute pending	Period to which the amount relates	Gross amount due (in ₹ lakhs)	Amount unpaid (in ₹ lakhs)
The Income Tax Act, 1961	Income Tax	The Commissioner of Income tax (Appeals), Ahmedabad - 2	A.Y. 2013-14	40.64	36.52
The Income Tax Act, 1961	Income Tax	The Commissioner of Income tax (Appeals), Ahmedabad - 2	A.Y. 2015-16	263.78	211.03
The Income Tax Act, 1961	Income Tax	The Commissioner of Income tax (Appeals), Ahmedabad - 2	A.Y. 2016-17	8.73	6.98
The Income Tax Act, 1961	Income Tax	The Commissioner of Income tax (Appeals), Ahmedabad - 2	A.Y. 2017-18	1.00	Nil
The Gujarat Value Added Tax Act, 2003	Value Added Tax	Dy. Commissioner of Commercial Tax Appeal, Commercial Tax Office Baroda	F.Y. 2011-12	110.89	110.89

- (viii) According to the information and explanations given to us, the Company does not have any transactions, which were not recorded in the books of accounts and which have been surrendered or disclosed as income during the current reporting period in the tax assessments under the Income-tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. The Company has not taken any loans or borrowings from the government.

- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender during the reporting period.
- (c) The Company has obtained term loans during the current reporting period which, in our opinion and according to the information and explanations given to us, have been utilized for their stated purpose(s).
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we believe that no funds raised on short-term basis have been used for long-term purposes by the Company. We have however not made a detailed examination of the same.
- (e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary.
- (f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the reporting period on the pledge of any securities held in its subsidiary.
- (x) (a) During the current reporting period, the Company has raised funds of ₹ 13,392.69 lakhs by way of initial public offer. In our opinion and as per the explanations given to us, the funds were applied for the purposes for which they were raised.
- (b) During the current reporting period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the current reporting period.
- (b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) To the best of our knowledge and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the current reporting period.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (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 etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under review during our audit of the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the current reporting period the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, if any or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the current reporting period and hence, is not required to obtain a Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.

- (d) The Company does not have any CICs as part of the Group and hence, clause (xvi)(d) of the Order is not applicable to the Company.
- (xvii) In our opinion, the Company has not incurred any cash losses during the current reporting period and in the immediately preceding reporting period.
- (xviii) There has not been any resignation of the statutory auditors during the current reporting period under review.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date

Place: Rajkot
Date: 27/05/2022

of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, there are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with the second proviso to sub-section (5) of section 135 of the Act.
- (b) According to the information and explanations given to us, the Company does not have any ongoing project(s) for which funds remain unspent under sub-section (5) of section 135 of the Companies Act and hence, is not required to transfer any funds to a special account in compliance with the provision of sub-section (6) of section 135 of the Companies Act, 2013.
- (xxi) Clause (xxi) of the Order is not applicable in the report on the standalone financial statements of the Company.

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

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN: 22042002AJSBRU2090

Annexure B

Referred to in point f. of the section Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Exxaro Tiles Limited (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) on the standalone financial statements for the year ended March 31, 2022

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

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over the financial reporting of Exxaro Tiles Limited ("the Company") (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed

under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect of standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, except above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN: 22042002AJSBRU2090

Place: Rajkot
Date: 27/05/2022

Standalone Balance Sheet

as at 31st March, 2022

(₹ In lakhs)				
	Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
I.	ASSETS			
	Non-Current Assets			
	(a) Plant, Property and Equipments	3	15,026.93	15,941.18
	(b) Intangible Assets	3	-	-
	(c) Financial Assets			
	(i) Non-Current Investments	4	1.00	136.80
	(ii) Other Non-Current Financial Assets	5	246.67	123.73
	Total Non-Current Assets		15,274.60	16,201.71
	Current Assets			
	(a) Inventories	6	11,435.29	10,433.58
	(b) Financial Assets			
	(i) Trade Receivable	7	10,146.14	9,008.20
	(ii) Cash and Cash Equivalents	8	1,626.93	218.03
	(iii) Bank Balances Other Than (ii) Above	9	284.32	313.20
	(iv) Loans	10	4.81	5.15
	(v) Other Financial Assets	11	-	15.38
	(c) Other Current Assets	12	1,712.59	736.21
	Total Current Assets		25,210.07	20,729.73
	TOTAL ASSETS		40,484.67	36,931.44
II.	EQUITY AND LIABILITIES			
	Equity			
	a) Equity Share Capital	13	4,474.11	3,355.51
	b) Other Equity	14	22,205.63	10,248.29
	Total Equity		26,679.73	13,603.79
	Liabilities			
	Non-Current Liabilities			
	a) Financial Liabilities			
	(i) Borrowings	15	2,200.00	6,991.60
	(ii) Other Financial liabilities	16	43.55	42.05
	b) Deferred Tax Liabilities (Net)	17	650.69	299.69
	c) Long Term Provisions	18	111.25	105.00
	Total Non Current Liabilities		3,005.50	7,438.34
	Current Liabilities			
	a) Financial Liabilities			
	(i) Borrowings	19	3,485.67	9,107.91
	(ii) Trade Payables	20	5,767.04	5,087.30
	(iii) Other Financial Liabilities	21	514.18	520.96
	b) Other Current Liabilities	22	696.78	547.60
	c) Short Term Provisions	23	237.69	329.08
	d) Current Tax Liabilities (Net)	24	98.08	296.46
	Total Current Liabilities		10,799.43	15,889.30
	Total Liabilities		13,804.93	23,327.65
	TOTAL EQUITY AND LIABILITIES		40,484.67	36,931.44

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

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

Hasmukh B Kalaria
Partner
Membership No: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel
Wholetime Director
DIN: 01918094

Paras Shah
Company Secretary
PAN: GNPPS9855F

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ In lakhs)				
	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from Operations	25	32,533.84	25,514.49
II.	Other Income	26	132.52	363.59
III.	Total Income (I + II)		32,666.36	25,878.08
IV.	Expenses:			
	Cost of Materials Consumed	27	9,252.85	7,799.56
	Purchases of Stock-in-Trade	28	2,768.93	768.07
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(337.22)	(126.82)
	Employee Benefits Expense	30	2,406.74	1,925.47
	Finance Costs	31	997.68	2,125.98
	Depreciation and Amortization Expense	3	1,363.72	1,363.42
	Other Expenses	32	13,598.48	10,306.35
	Total Expenses		30,051.16	24,162.03
V.	Profit before exceptional items and tax (III-IV)		2,615.20	1,716.06
VI.	Exceptional income/(expenses)-Net		-	-
VII.	Profit before tax (V + VI)		2,615.20	1,716.06
VIII.	Tax expense:	33		
	(1) Current tax		439.45	307.22
	(2) MAT credit availed / (entitlement)		320.93	(111.32)
	(3) Deferred tax liability/(assets)		29.68	(23.04)
	(4) Prior Period Tax		14.64	20.85
IX.	Profit for the year from continuing operations (VII-VIII))		1,810.49	1,522.34
X.	Other Comprehensive Income/(Expense) (OCI) net of tax expense			
	(1) Items that will not be reclassified to Profit and Loss Account		(1.88)	10.26
	Less: Income Tax impact on above		(0.49)	2.67
	(2) Items that will be reclassified to Profit and Loss Account		-	-
	Less: Income Tax impact on above			
XI.	Total Other Comprehensive Income/(Expenses) (OCI) net of tax expense		(1.39)	7.59
XII.	Total Comprehensive Income (IX + XI)		1,809.09	1,529.93
XIII.	Earnings per equity share of ₹ 10 each	34		
	(1) Basic		4.45	4.54
	(2) Diluted		4.45	4.54

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

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

Hasmukh B Kalaria
Partner
Membership No: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel
Wholetime Director
DIN: 01918094

Paras Shah
Company Secretary
PAN: GNPPS9855F

Standalone Statement of Change in Equity

for the year ended 31st March, 2022

(₹ In lakhs)

A	Equity Share Capital	Amount
	Balance as at 1 st April 2020	3,355.51
	Change in Equity Share Capital during the year	-
	Balance as at 31 st March 2021	3,355.51
	Change in Equity Share Capital during the year	1,118.60
	Balance as at 31 st March 2022	4,474.11

B Other Equity

Particulars	Reserves and Surplus					Total
	Securities Premium	Retained Earnings	Capital Redemption Reserve	Other Comprehensive Income	Equity Component of Financial Instruments	
Balance as at 1 st April 2020	3,427.38	4,498.03	-	7.78	785.16	8,718.35
Profit for the year	-	1,522.34	-	-	-	1,522.34
Other Comprehensive Income	-	-	-	7.59	-	7.59
Total Comprehensive Income for the year	3,427.38	6,020.37	-	15.38	785.16	10,248.29
Balance as at 31 st March 2021	3,427.38	6,020.37	-	15.38	785.16	10,248.29

Particulars	Reserves and Surplus					Total
	Securities Premium	Retained Earnings	Capital Redemption Reserve	Other Comprehensive Income	Equity Component of Financial Instruments	
Balance as at 1 st April 2021	3,427.38	6,020.37	-	15.38	785.16	10,248.29
Profit for the year	-	1,810.49	-	-	-	1,810.49
Issue of equity shares	12,274.09	-	-	-	-	12,274.09
Public issue expenses	(1,432.08)	-	-	-	-	(1,432.08)
Transfer to capital redemption reserve	-	(281.25)	281.25	-	-	-
Repayment of preference shares	-	-	-	-	(693.76)	(693.76)
Transfer to retained earning	-	91.40	-	-	(91.40)	-
Other Comprehensive Income	-	-	-	(1.39)	-	(1.39)
Total Comprehensive Income for the year	14,269.39	7,641.01	281.25	13.98	-	22,205.63
Balance as at 31 st March 2022	14,269.39	7,641.01	281.25	13.98	-	22,205.63

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

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

Hasmukh B Kalaria
Partner
Membership No: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel
Wholetime Director
DIN: 01918094

Paras Shah
Company Secretary
PAN: GNPPS9855F

Standalone Cash Flow Statement

for the year ended 31st March, 2022

(₹ In lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	Cash Flow from Operating Activity		
	Net Profit Before Tax	2,615.20	1,716.06
	Adjustments For:		
	Depreciation	1,363.72	1,363.42
	Interest & Financial Expenses	997.68	2,125.98
	(Profit)/Loss on sale of Fixed Asset	-	5.87
	Bad Debts written off	9.92	13.22
	Interest Received on Deposits	(22.97)	(34.28)
	Loss/(Gain) on Investments	(0.62)	-
	Provision for Debtors	(156.94)	55.86
	Operating profit before Working Capital Changes	4,805.98	5,246.14
	Adjustment For:		
	Inventories	(1,001.71)	111.53
	Trade Receivables	(990.92)	558.37
	Other Non-Current Financial Assets	(122.94)	9.15
	Financial Assets- Loans	0.34	(0.01)
	Short-term loans and advances	(289.90)	(1.52)
	Trade Payables	679.74	(1,884.68)
	Short-term Provisions	(93.27)	304.06
	Other Non-current Financial Liabilities	1.50	(27.60)
	Long-term Provisions	6.25	25.63
	Other Current Liabilities	149.18	(56.95)
	Other Current Financial Liabilities	(15.23)	(212.04)
	Taxes Paid	(651.60)	(293.51)
	Net Cash Generated from Operations	2,477.42	3,778.57
B.	Cash Flow from Investment Activities		
	Changes in Creditors for Fixed Assets	8.45	(28.65)
	Purchase of Property, Plant and Equipments	(455.46)	(134.24)
	Proceeds from sale of PPE	5.99	12.62
	Bank Balances not considered as Cash Equivelant	28.88	(12.03)

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

	Change in Short-term loans and advances - Capital Advance	(686.48)	(29.72)
	Sale of Investment	136.80	-
	Investment in subsidiary	(1.00)	-
	Gain/(Loss)on Investments	0.62	-
	Interest Received	38.35	20.94
	Net Cash Flow from Investment Activities	(923.85)	(171.08)
C.	Cash Flow from Financial Activities:		
	Issue of Equity Shares for Cash	1,118.60	-
	Securities Premium on Issue of Shares	12,274.09	-
	Payment of public issue expenses	(1,432.08)	-
	Redumption of Preference shares	(1,040.76)	-
	Changes in Long Term Borrowings (Net)	(4,444.61)	(1,646.57)
	Changes in Short Term Borrowings (Net)	(5,622.24)	330.24
	Interest & Financial Expenses	(997.68)	(2,125.98)
	Net Cash Flow from Financial Activities	(144.67)	(3,442.31)
	Total of Cash Flow (A+B+C)	1,408.90	165.18
	Cash & Cash Equivalent at the beginning of the year	218.03	52.84
	Cash & Cash Equivalent at the ending of the year	1,626.93	218.03
	Cash & Cash Equivalent comprising of		
	Cash on Hand	12.74	6.54
	Balances with Scheduled Banks	1,614.19	211.48
		1,626.93	218.03

Note: 1. The above statement shall be read in conjunction with accompanying notes
2. Previous year's figures have been regrouped wherever necessary to confirm this year's classification.

As per our Report of even date

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

Hasmukh B Kalaria
Partner
Membership No.: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Kiran Patel
Wholetime Director
DIN: 01918094

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Paras Shah
Company Secretary
PAN: GNPPS9855F

Talod (Sabarkantha), May 27, 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Background

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

2. Significant Accounting Policies followed by the Company

A. Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) Current non-current classification

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

(iv) Rounding of amounts

All amounts disclosed in the financial statements and

notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

B. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

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

C. Segment reporting:

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

D. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

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

E. Revenue recognition

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

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

Sale of goods

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

Other operating revenue

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

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

F. Income tax

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

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

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

G. Impairment of non-financial assets

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

H. Cash and cash equivalents

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

I. Trade receivables

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

J. Inventories

Inventories of raw materials, work-in-progress, stores and spares, finished goods and stock-in-trade are stated at cost or net realisable value, whichever is lower. Goods-in-transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present

location and condition. A cost formula used is 'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

K. Investments and other financial assets

(i) Classification

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

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

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

(ii) Measurement

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

Debt instruments:

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

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

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Equity instruments:

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

(iii) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. During the year the company has changed expected credit loss provision percentage to 5% on debtors having outstanding for more than 6 months from the date of transactions as compare to previous year provision of 10.6% on debtors having outstanding for more than 6 months from the date of transactions and 30% on debtors which have significant increase in credit risk.

(iv) Income recognition

Interest income

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

Dividends

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

L. Property, plant and equipment

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

after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

M. Investment properties

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

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

N. Intangible assets

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

Computer software

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

Amortisation method and useful life

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

O. Borrowings

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

liquidity services and amortised over the period of the facility to which it relates.

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

P. Borrowing costs

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

Q. Provisions and contingent liabilities

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

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

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

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

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

R. Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Gratuity obligations

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

S. Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 3 Property, Plant & Equipments

(₹ In lakhs)

Fixed Assets	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	As at 1 st April 2021	Additions	Adjust-ment/ Deduction	As at 31 st March 2022	As at 1 st April 2021	For the year	Adjust-ment/ Deduction	As at 31 st March 2022	As at 31 st March 2022	As at 31 st March 2021
(A) Tangible Assets										
Land	773.88	-	-	773.88	-		-	-	773.88	773.88
Buildings	3,411.09	54.43	-	3,465.52	632.04	105.74	-	737.78	2,727.74	2,779.05
Plant and Equipment	18,745.95	371.97	-	19,117.92	6,578.65	1,211.77	-	7,790.42	11,327.51	12,167.31
Furniture and Fixtures	172.04	22.72	-	194.76	73.13	16.01	-	89.13	105.62	98.91
Vehicles	288.66	0.85	22.84	266.68	179.70	25.06	16.84	187.92	78.76	108.97
Computer	80.26	3.23	-	83.49	73.80	2.34	-	76.14	7.35	6.45
Office Equipments	50.32	2.26	-	52.58	43.70	2.80	-	46.50	6.08	6.61
Sub Total :	23,522.20	455.46	22.84	23,954.82	7,581.02	1,363.72	16.84	8,927.89	15,026.93	15,941.18
(B) Intangible Assets										
Computer Software	24.94	-	-	24.94	24.94	-	-	24.94	-	-
Sub Total :	24.94	-	-	24.94	24.94	-	-	24.94	-	-
Total :	23,547.14	455.46	22.84	23,979.76	7,605.96	1,363.72	16.84	8,952.83	15,026.93	15,941.18

(₹ In lakhs)

Fixed Assets	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	As at 1 st April 2020	Additions	Adjust-ment/ Deduction	As at 31 st March 2021	As at 1 st April 2020	For the year	Adjust-ment/ Deduction	As at 31 st March 2021	As at 31 st March 2021	As at 31 st March 2020
(A) Tangible Assets										
Land	773.88	-	-	773.88	-	-	-	-	773.88	773.88
Buildings	3,386.60	24.49	-	3,411.09	527.18	104.86	-	632.04	2,779.05	2,859.42
Plant and Equipment	18,642.79	103.16	-	18,745.95	5,383.49	1,195.15	-	6,578.65	12,167.31	13,259.30
Furniture and Fixtures	165.59	6.45	-	172.04	57.15	15.98	-	73.13	98.91	108.44
Vehicles	319.17	-	30.51	288.66	153.99	37.72	12.02	179.70	108.97	165.18
Computer	80.12	0.14	-	80.26	67.72	6.08	-	73.80	6.45	12.40
Office Equipments	50.32	-	-	50.32	40.08	3.62	-	43.70	6.61	10.23
Sub Total :	23,418.47	134.24	30.51	23,522.20	6,229.62	1,363.42	12.02	7,581.02	15,941.18	17,188.85
(B) Intangible Assets										
Computer Software	24.94	-	-	24.94	24.94	-	-	24.94	-	-
Sub Total :	24.94	-	-	24.94	24.94	-	-	24.94	-	-
Total :	23,443.41	134.24	30.51	23,547.14	6,254.56	1,363.42	12.02	7,605.96	15,941.18	17,188.85

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 4 Non Current Investments

(₹ In lakhs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	nos of units	Amount	nos of units	Amount
Investment in Debt Instruments:				
(fully paid, at cost)				
Quoted:				
Edelweiss Finance & Investment Ltd. of ₹1000 each	-	-	13,680	136.80
Investment in Equity of Subsidiaries:				
(fully paid, at cost)				
Unquoted:				
Exxaro Ceramic Limited (of ₹ 10 each)	10,000	1.00	-	-
Total	10,000	1.00	13,680	136.80
Aggregate Market Value of quoted investments		-		150.86

Note: 5 Other Non-Current Financial Assets

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured, considered good)		
Security Deposits (Asset)	209.50	86.54
Bank Fixed Deposit (having maturity period more than 12 months)	37.17	37.18
Total	246.67	123.73

Note: 6 Inventories

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Raw Materials	1,651.71	1,087.29
Work-in-Progress	1,653.97	1,655.85
Finished Goods	7,458.11	7,119.00
Stores and Spares	587.30	516.68
Fuel	84.19	54.75
Total	11,435.29	10,433.58

Note: 7 Trade Receivables

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,253.53	1,176.63
Trade Receivables which have significant increase in credit risk	389.03	381.16
Less: Expected Credit Loss	82.13	239.07
Sub total	1,560.43	1,318.72
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good - TR - less than 6 month	8,585.71	7,689.48
Total	10,146.14	9,008.20

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

7.1 Trade receivables ageing schedule

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Outstanding for the following periods from the date of transaction)		
Unsecured		
Undisputed trade receivables - considered good		
Less than 6 months	8,585.71	7,689.48
6 months -1 year	534.16	558.41
1-2 years	332.92	357.66
2-3 years	188.92	131.16
More than 3 years	197.53	129.40
	9,839.24	8,866.11
Disputed trade receivables - which have significant increase in credit risk		
Less than 6 months	-	-
6 months -1 year	11.24	-
1-2 years	-	58.06
2-3 years	74.10	96.79
More than 3 years	303.68	226.31
	389.03	381.16
Sub total	10,228.27	9,247.27
Less: Expected Credit Loss	82.13	239.07
Total	10,146.14	9,008.20

Note: 8 Cash and Cash Equivalents

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Bank Balances:-		
In Current Account	614.19	211.48
In Fixed Deposit Account (having maturity period less than 3 months)	1,000.00	-
Cash on hand	12.74	6.54
Total	1,626.93	218.03

Note: 9 Other Bank Balances

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Bank Balances:-		
Earmarked Balances with Banks		
Others	-	6.47
Fixed Deposit Account (having maturity period within 12 months)	284.32	306.73
Total	284.32	313.20

Note: 10 Loans - Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured and Considred Good)		
Loans to Others	2.59	2.93
Loans to Employees	2.22	2.22
Total	4.81	5.15

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 11 Other Financial Assets-Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest and Dividend Receivables on Investments	-	15.38
Total	-	15.38

Note: 12 Other Current Assets

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory Receivable (net)	598.77	424.14
Advances to Suppliers	269.77	174.72
Capital Advances	764.74	78.26
Advances Recoverable in Cash or in Kind	4.82	9.16
Prepaid Expenses	74.49	49.92
Total	1,712.59	736.21

Note: 13 Equity Share Capital

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised		
5,00,00,000 (Previous years 5,00,00,000) Equity Shares of ₹ 10/- each.	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, Subscribed & Paid up		
4,47,41,070 (Previous year 3,35,55,070) Equity Shares of ₹ 10/- each,fully	4,474.11	3,355.51
Total	4,474.11	3,355.51

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

Particulars	No. of Shares	As at 31 st March, 2022	No. of Shares	As at 31 st March, 2021
	(In Nos.)	(₹ In lakhs)	(In Nos.)	(₹ In lakhs)
Shares outstaning at beginning of the year	33,555,070	3,355.51	33,555,070	3,355.51
Add: Issue of shares	11,186,000	1,118.60	-	-
Shares outstaning at end of the year	44,741,070	4,474.11	33,555,070	3,355.51

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

Name of the Shareholder	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mukeshbhai Babubhai Patel	3,135,988	7.01%	3,135,988	9.35%
Kiranbhai Bhikhalal Patel	4,702,064	10.51%	4,702,064	14.01%

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Name of the Shareholder	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dineshbhai Ramanbhai Patel	7,553,307	16.88%	7,553,307	22.51%
Dixitkumar Kacharabhai Patel	2,340,916	5.23%	4,578,916	13.65%
Rameshbhai Shivabhai Patel	3,127,646	6.99%	3,127,646	9.32%
Hitendrabhai Kacharabhai Patel	1,763,007	3.94%	1,763,007	5.25%

13.3 Details of shares held by promoters at the end of the year

Name of the Promoters	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mukeshbhai Babubhai Patel	3,135,988	7.01%	3,135,988	9.35%
Kiranbhai Bhikhalal Patel	4,702,064	10.51%	4,702,064	14.01%
Dineshbhai Ramanbhai Patel	7,553,307	16.88%	7,553,307	22.51%
Rameshbhai Shivabhai Patel	3,127,646	6.99%	3,127,646	9.32%

* there is no change in promoters holding during current year and previous year

13.4The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Note: 14 Other Equity

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Securities Premium		
Opening Balance	3,427.38	3,427.38
(+) Issue of equity shares	12,274.09	-
(-) Public issue expenses	1,432.08	-
Balance as at year end	14,269.39	3,427.38
B. Retained Earnings		
Opening balance	6,020.37	4,498.03

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(+) Net Profit for year	1,810.49	1,522.34
(+) Transfer from Equity Component of Financial Instruments	91.40	-
(-) Transfer to Capital Redumption Reserve	281.25	-
Balance as at year end	7,641.01	6,020.37
C. Other Comprehensive Income		
Opening balance	15.38	7.78
(+) Changes during the year	(1.39)	7.59
Balance as at year end	13.98	15.38
D. Capital Redumption Reserve		
Opening balance	-	-
(+) Transfer from Retained Earnings	281.25	-
Balance as at year end	281.25	-
E. Equity Component of Financial Instruments		
Opening balance	785.16	785.16
(-) Repayment of preference shares	693.76	-
(-) Transfer to retained earnings	91.40	-
Balance as at year end	-	785.16
Total	22,205.63	10,248.29

Note: 15 Borrowings-Non Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Secured		
Term loans from banks	-	3,899.20
Term loans from others	-	1,331.35
Vehicle loan from banks	-	3.16
Working capital term loans from banks	2,200.00	-
Unsecured		
Preference shares	-	346.99

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Loans from banks	-	-
Loans from other than banks	-	7.42
Loans from intercorporate bodies	-	195.07
Loans from directors	-	180.17
Loans from relatives & shareholders	-	1,028.24
Total	2,200.00	6,991.60

15.1 Terms of Repayment of Loans:

Particulars (Name of financier)	Nature of Security	Terms of Repayment	Rate of Interest
Working capital term loans from banks (Axis Bank)	Charge over entire current asset and movable asset of the company	Repayable in 48 Monthly Installments of ₹ 45,83,300 (after moratorium of 2 years)	6.75%

15.2 Details of Preference Shares:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised		
60,00,000 Preference Shares of ₹ 10/- each.	600.00	600.00
Issued, Subscribed & Paid up		
C.Y.: Nil (P.Y.:28,12,529) Preference Shares of ₹10/- each,fully	-	281.25

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

Name of the Shareholder	As at 31 st March, 2022			As at 31 st March, 2021	
	No. of Shares held	% of Holding	% change during the year	No. of Shares held	% of Holding
Mukeshkumar Babubhai Patel	-	0.00%	-100.00%	170,516	6.06%
Kiranbhai Bhikhalal Patel	-	0.00%	-100.00%	153,465	5.46%
Rameshbhai Shivabhai Patel	-	0.00%	-100.00%	170,517	6.06%
Dixitkumar Kacharabhai Patel	-	0.00%	-100.00%	246,570	8.77%

* there is no change in promoters holding during previous year

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 16 Other Financial Liabilities - Non Current (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Security deposits from dealers	43.55	42.05
Total	43.55	42.05

Note: 17 Deferred Tax Liability (Net) (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred Tax Liability	1,598.31	1,627.83
Less: Deferred Tax Asset	(59.59)	(118.30)
Net Deferred Tax Liability/(Asset)	1,538.73	1,509.54
Less: MAT Credit	888.03	1,209.84
Total	650.69	299.69

19.1 Terms of Repayment

Particulars (Name of financier)	Nature of Security	Terms of Repayment	Rate of Interest
Working Capital Loan from bank (State Bank of India, Axis Bank)	First and exclusive charge on entire current assets by way of hypothecation of entire raw materials, stock-in-process, stores & spares, packing material, finished goods & book debt of the Company	Repayable on demand	Ranging from 7.50% to 8.95%

Note: 20 Trade Payables (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Micro, Small and Medium Enterprises *	-	-
Others		
- For Raw material & Packing Material	2,484.18	2,834.34
- For Finished Goods	1,405.17	185.00
- For Expenses & Others	1,877.69	2,067.96
Total	5,767.04	5,087.30

Note: 18 Long term provisions (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employee benefits:		
Leave Encashment	6.08	5.84
Gratuity	105.17	99.16
Total	111.25	105.00

Note: 19 Borrowings- Current (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current Maturities of Long Term Debts	7.48	1,760.42
Secured		
Working Capital Loans from banks	3,478.19	5,347.49
Working Capital Loan from other than bank	-	2,000.00
Total	3,485.67	9,107.91

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

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

20.1 Trade payables ageing schedule

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Outstanding for the following periods from the date of transaction)		
Undisputed trade payables - other than MSMEs		
Less than 1 year	5,353.66	4,056.77
1-2 years	211.11	505.04
2-3 years	127.21	291.92
More than 3 years	75.05	233.56
Total	5,767.04	5,087.30

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Principal amount due and remaining unpaid at the year end	-	-
Interest due on above and remaining unpaid interest at the year end	-	-
Interest paid other than sec 16 beyond the appointed day during the year	-	-

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Principal amount paid beyond the appointed day during the year	-	-
Interest paid under sec 16 beyond appoint day during the year	-	-
Interest due and payable for payment already made	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Note: 21 Other Financial Liabilities - Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest accrued and due on borrowings	11.39	-
Capital Creditors	97.63	89.18
Employee Related Liabilities	405.16	431.78
Total	514.18	520.96

21.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2022

Note: 22 Other Current Liabilities

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory Dues	591.64	455.54
Advance from Customers	105.14	92.06
Total	696.78	547.60

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 23 Short Term Provisions

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Expenses	201.88	299.05
Provision for Employee Benefits:		
Leave Encashment	4.15	2.78
Gratuity	31.66	27.24
Total	237.69	329.08

Note: 24 Current Tax Liabilities (Net)

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Income-tax	98.08	296.46
Total	98.08	296.46

Note: 25 Revenue from Operations

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products		
(a) Domestic Sales	31,880.52	21,878.86
(b) Export Sales	653.33	3,542.40
	32,533.84	25,421.26
Other Operating Revenue	-	93.23
Total	32,533.84	25,514.49

Note: 26 Other Income

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Financial Assets		
On Bank Fixed Deposits	17.88	20.94
On Non-Current investments	5.09	13.34
On Others	27.41	-
Other Gain and Losses		
Gain/(Loss) on Investments	0.62	-
Duty Drawback	11.52	77.08
MEIS Licence Sales Income	63.72	74.09
Rent Income	0.60	4.09
Miscellaneous Income*	5.68	174.06
Total	132.52	363.59

* Misc. Income includes creditors written back (net of debtors written off)

Note: 27 Cost of Materials Consumed

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Inventory	1,087.29	1,513.30
Add : Purchase	9,817.28	7,373.55
Less : Closing Inventory	1,651.71	1,087.29
Total	9,252.85	7,799.56

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 28 Purchase of Stock in Trade

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock in Trade	2,768.93	768.07

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories (at close):		
Work-in-Process	1,653.97	1,655.85
Finished Goods	7,458.11	7,119.00
	9,112.08	8,774.85
Inventories (at commencement):		
Work-in-Process	1,655.85	1,627.48

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Finished Goods	7,119.00	7,020.55
	8,774.85	8,648.03
Total	(337.22)	(126.82)

Note: 30 Employee benefit expenses

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages	2,286.96	1,824.80
Contributions to -		
Provident fund, Superannuation scheme & Other funds	69.73	61.48
Staff welfare expenses	50.05	39.19
Total	2,406.74	1,925.47

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

Defined Benefit Gratuity Plan:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(I) Amount Recognised in Balance Sheet		
Present value of unfunded Obligations	-	126.39
Present value of funded Obligations	161.83	-
Fair Value of plan assets	(25.00)	-
Net Liability (asset)	136.83	126.39
(II) Amounts to be recognised in Profit and Loss Account		
Service Cost		
Current Service Cost	27.80	24.62
Past Service Cost		
Curtailment and settlement		

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Interest Cost	5.86	5.25
Total included in Employees Expenses	33.66	29.87
Expenses Deducted from the Fund	-	-
Total Charged to profit and loss	33.66	29.87
(III) Other Comprehensive Income for the Period		
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	(2.46)	1.03
Due to change in demographic assumption		
Due to Experience Adjustments	4.34	(11.29)
Return on planned assets excluding amounts included in interest income		
Amount Recognised in Other Comprehensive Income	1.88	(10.26)
(IV) Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	126.39	107.16
Interest cost	5.86	5.25
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	(2.46)	1.03
Due to change in demographic assumption	-	-
Due to Experience Adjustments	4.34	(11.29)
Current Service Cost	27.80	24.62
Loss/Gain on Curtailment	-	-
Liabilities Extinguished on settlement	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange difference of foreign plan	-	-
Benefits Paid	(0.11)	(0.37)
Closing Defined Benefit Obligation	161.83	126.39
(V) Assumptions:		
Discount Rate (per annum)	5.70%	5.20%
Rate of Increase in Salary	7.00%	7.00%
Withdrawal Rate	45% at younger age reducing to 10% at elder age	45% at younger age reducing to 10% at elder age

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 31 Finance Cost

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses		
On Long Term Loan	492.92	1,317.19
On Short Term Loan	349.73	617.76
On Other Borrowing and/or late payments	53.32	73.26
On Preference Share Liability*	-	23.54
Other Borrowing Costs	101.71	94.24
Total	997.68	2,125.98

*Company has redeemed preference share during the current year, hence current year amortization cost of preference shares has not been debited to statement of profit and loss account.

Note: 32 Other Expenses

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Direct Expenses		
Stores and Spares Consumed	2,024.13	1,225.28
Power and Fuel	10,670.52	7,492.75
Factory and Other Expenses	43.67	38.83
Repairs to Machinery	127.28	82.91
Indirect Expenses		
Office Electricity Expense	4.65	5.29
Rent Expense	97.48	133.90
Transportation and Distribution Expenses	46.63	70.24
Office Expense	15.65	12.64
Repairs to Others	15.02	0.24
Insurance	62.42	85.84
Rates and Taxes	50.09	53.71

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discounts	44.97	90.84
Telephone and Postage	15.74	19.60
Printing and Stationery	10.09	6.12
Donation and Other Subscriptions	-	0.51
Registration and Filing Fees	0.55	0.83
Legal & Professional Fees	46.11	33.06
Public Issue Expenses	-	80.89
Travelling and Conveyance	160.04	122.79
Payments to Auditors	4.25	4.00
Advertisement and Publicity	75.03	27.42
Safety and Security Expense	26.28	33.59
Information Technology Expense	11.89	16.34
Payment for Technical Services	1.05	1.32
Warranty and Breakage Expenses	13.70	62.30
Commission to Selling Agents	68.82	41.33
CSR Expense	25.39	26.20
Loading and Unloading Cost	1.29	1.05
Export Expenses	70.90	449.11
Foreign Exchange Loss (net)	10.87	12.05
Bad Debts	9.92	13.22
Loss on Sale of Asset	-	5.87
Provision for Expected credit loss	(156.94)	55.86
Miscellaneous Expenses	1.00	0.41
Total	13,598.48	10,306.35

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

32.1 Expenditure incurred on Corporate Social Responsibility Activities

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent by the company during the year	25.39	26.20
Amount spent during the year on :		
Construction/ Acquisition of any asset	-	-
On purpose other than above	25.39	26.20
Amount of shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Nature of CSR activity	Healthcare services by providing oxygen plant and for spreading education of drug addiction in youth across Gujarat	Promotion of educational activity in rural area
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

32.2 Payments to Auditors as:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Auditors :		
i) Audit Fees	3.75	3.50
ii) For Taxation matters	0.50	0.50
iii) For others	-	-
Total	4.25	4.00

Note: 33 Income Tax

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Tax Expenses		
Current tax	439.45	307.22
Deferred tax liability/ (assets)	29.68	(23.04)
Prior Period Tax	14.64	20.85
	483.77	305.04
Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate		
Profit/ (loss) before tax	2,615.20	1,716.06
India's statutory income tax rate	29.12%	29.12%
Expected income tax expense as per applicable taxes	761.55	499.72
Non-deductibles expenses	23.21	23.21
Prior Period Tax	(14.64)	(20.85)

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Changes due to brought forward tax losses	-	48.66
Difference due to different tax rate	(304.62)	(199.89)
Others	18.28	(45.82)
Total	483.77	305.04

Note: 34 Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ In lakhs)	1,810.49	1,522.34
Weighted average number of shares considered for calculating EPS (In Nos.)	40,665,075	33,555,070
Basic Earnings per share (₹)	4.45	4.54
Diluted Earnings per share (₹)	4.45	4.54
Face Value per equity share (₹)	10.00	10.00

Note: 35 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) C.I.F. Value of imports :		
Raw Materials	-	-
Capital Goods	88.00	60.91
Stores & Spares	75.43	90.34
(B) Earnings in Foreign currencies:		
F.O.B. value of Exports	644.76	3,508.02

Note: 36 Contingent Liabilities not provided for in respect of

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax matters in dispute in respect of Assessment dues before CIT (Appeal).	250.53	250.53
Sales Tax liability under dispute before Commercial Tax (Appeal) for F.Y. 2010-11	-	12.58
Sales Tax liability under dispute before Commercial Tax (Appeal) for F.Y. 2011-12	110.89	110.89
Bank Guarantee issued by Bank	1,223.54	976.72
Letter of credit issued by Bank	135.04	205.07
EPCG Obligation	560.58	1,943.57

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 37 Additional regulatory information

37.1 Security of current assets against borrowings

The Company is having borrowings from banks or financial institutions against which security of current assets is given. Quarterly returns and statements of current assets filed by the Company with banks and financial institutions are generally in agreement with the books of accounts. There are no material discrepancies found.

37.2 Compliance with number of layers of companies

The Company has complied with the number of layers of Companies as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

37.3 Analytical ratios

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	% change
Current ratio			
Current assets (in ₹ lacs) (A)	25,210.07	20,729.73	
Current liabilities (in ₹ lacs) (B)	10,799.43	15,889.30	
Ratio (times) = (A)/(B)	2.33	1.30	78.93%
Debt-equity ratio			
Total debt (in ₹ lacs) (A)	5,685.67	16,099.51	
Shareholders' funds (in ₹ lacs) (B)	26,679.73	13,603.79	
Ratio (times) = (A)/(B)	0.21	1.18	-81.99%
Debt service coverage ratio			
Net profit/(loss) before tax (in ₹ lacs)	2,615.20	1,716.06	
Add: Finance cost (in ₹ lacs)	997.68	2,125.98	
Add: Depreciation and amortisation expense (in ₹ lacs)	1,363.72	1,363.42	
Earnings available for debt services (in ₹ lacs) (A)	4,976.59	5,205.45	
Interest expense (in ₹ lacs)	997.68	2,125.98	
Principal repayment (in ₹ lacs)	7,230.67	885.37	
Debt service (in ₹ lacs) (B)	8,228.35	3,011.35	
Ratio (times) = (A)/(B)	0.60	1.73	-65.01%
Return on equity			
Net profit/(loss) after tax (in ₹ lacs) (A)	1,810.49	1,522.34	
Average shareholders' funds (in ₹ lacs) (B)	20,141.76	12,838.83	
Ratio (%) = (A)/(B)	8.99%	11.86%	-24.19%
Inventory turnover ratio			
Cost of goods sold (in ₹ lacs) (A)	24,550.16	17,280.59	

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	% change
Average inventory (in ₹ lacs) (B)	10,934.43	10,489.34	
Ratio (times) = (A)/(B)	2.25	1.65	36.28%
Trade receivables turnover ratio			
Revenue from operations (in ₹ lacs) (A)	32,533.84	25,514.49	
Average trade receivables (in ₹ lacs) (B)	9,577.17	9,321.93	
Ratio (times) = (A)/(B)	3.40	2.74	24.11%
Trade payables turnover ratio			
Total purchase (in ₹ lacs) (A)	25,380.91	17,047.32	
Average trade payables (in ₹ lacs) (B)	5,427.17	6,029.64	
Ratio (times) = (A)/(B)	4.68	2.83	65.41%
Net capital turnover ratio			
Revenue from operations (in ₹ lacs) (A)	32,533.84	25,514.49	
Current assets (in ₹ lacs)	25,210.07	20,729.73	
Less: Current liabilities (in ₹ lacs)	10,799.43	15,889.30	
Net working capital (in ₹ lacs)	14,410.63	4,840.43	
Average net working capital (in ₹ lacs) (B)	9,625.53	4,342.30	
Ratio (times) = (A)/(B)	3.38	5.88	-42.48%
Net profit ratio			
Net profit/(loss) after tax (in ₹ lacs) (A)	1,810.49	1,522.34	
Revenue from operations (in ₹ lacs) (B)	32,533.84	25,514.49	
Ratio (%) = (A)/(B)	5.56%	5.97%	-6.73%
Return on capital employed			
Net profit/(loss) before tax (in ₹ lacs)	2,615.20	1,716.06	
Add: Finance cost (in ₹ lacs)	997.68	2,125.98	
Earning before interest and taxes (in ₹ lacs) (A)	3,612.87	3,842.04	
Average capital employed (in ₹ lacs) (B)	25,363.68	11,586.20	
Ratio (%) = (A)/(B)	14.24%	33.16%	-57.04%
Return on investment			
Net profit/(loss) after tax (in ₹ lacs) (A)	1,810.49	1,522.34	
Average shareholders' funds (in ₹ lacs) (B)	20,141.76	12,838.83	
Ratio (%) = (A)/(B)	8.99%	11.86%	-24.19%

Reason for change for more than 25%

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

1. Current Ratio

The Company's current ratio has improved from 1.30 times to 2.33 times on account of repayment of certain short-term borrowings from the funds raised by the Company during its IPO.

2. Debt-equity ratio

During the year company has raised ₹13,392.69 lakhs through Initial Public Offering (IPO), as per the object of the same company has repaid its long term debt, hence due to increase in equity capital base and decrease in debt portion, debt-equity ratio has decreased.

3. Debt service coverage ratio

The Company has repaid long term loans from proceeds of IPO. Hence, the decrease in debt service coverage ratio is on account of one shot repayment of long term debt from the proceeds of IPO.

4. Inventory turnover ratio

Inventory turnover ratio has increased during the year, as the Company has utilised optimum capacity of plan with better management of inventories.

5. Trade payables turnover ratio

Trade payables turnover ratio has increased on account of faster payment to creditors by the Company due to increase in cash liquidity.

6. Net capital turnover ratio

Net capital turnover ratio has decreased, as on account of IPO company's working capital base has increased.

7. Return on capital employed

Return on capital employed has decreased on account of company's capital employed has increased due to IPO.

Note: 36 Related Party Information as per Ind AS 24

(A) Name of related party and nature of relationship

Name of related party	Description of relationship
1. Where significant influence exists Exxaro Ceramic Limited (w.e.f. 13/12/2021)	Wholly owned subsidiary
2. Key Managerial Personnel Kiran Bhikhalal Patel Mukesh Babubhai Patel Rameshbhai Shivabhai Patel (Ceased to be director w.e.f. 05/11/2020) Dineshbhai Ramanbhai Patel Daxesh Manaharlal Thakkar Kamal Dave Nidhi Praveen Gupta (Resigned w.e.f. 01/04/22) Chitra Kirtivasan (Appointed w.e.f. 02/04/2022) Dhaval Rajendrabhai Shah (Resigned w.e.f. 20/05/21) Himanshu Shah (Appointed w.e.f. 20/05/2021) Paras Shah	Whole-time Director Managing Director Director Whole-time Director Independent Director Independent Director Additional Director CFO CFO Company Secretary

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

3. Relatives Of Key Managerial Personnel

Babubhai Punjabhai Patel
Bhikhabhai Ranchhodbhai Patel
Chetanaben Mukeshbhai Patel
Dharmendrabhai Dineshbhai Patel
Dimpalben Dineshbhai Patel
Jashiben Hasmukhbhai Patel
Jigarbhai Bhikhabhai Patel
Jignaben Dharmendrabhai Patel
Kailashben Sureshbhai Patel
Pal Mukeshkumar Patel
Rakeshbhai Shivabhai Patel
Ramanbhai Virabhai Patel
Reviben Ramanbhai Patel
Rinkuben Kiranbhai Patel
Savitaben Bhikhabhai Patel
Shivabhai Ramabhai Patel
Shushilaben Rameshbhai Patel
Vasantbhai Ramanbhai Patel
Pal Mukeshkumar Patel

(B) Transactions with related party

(₹ In lakhs)

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration to Key Managerial Personnel		
Kiran Bhikhalal Patel	9.25	6.00
Mukesh Babubhai Patel	9.25	6.00
Rameshbhai Shivabhai Patel	-	6.00
Dineshbhai Ramanbhai Patel	9.25	6.00
Paras Shah	5.61	1.21
Dhaval Rajendrabhai Shah	2.80	5.10
Himanshu Shah	25.12	-
Salary to Relatives of KMP's		
Chetanaben Mukeshbhai Patel	3.00	6.00
Pal Mukeshkumar Patel	1.04	-
Dharmendrabhai Dineshbhai Patel	5.78	6.50
Dimpalben Dineshbhai Patel	3.00	6.00
Jigarbhai Bhikhabhai Patel	9.25	6.00
Rakeshbhai Shivabhai Patel	6.00	6.50
Rameshbhai Shivabhai Patel	9.25	-
Rinkuben Kiranbhai Patel	3.00	6.00

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Shushilaben Rameshbhai Patel	3.00	6.00
Rent Paid		
Mukesh Babubhai Patel	-	2.40
Loan received		
Kiran Bhikhalal Patel	-	2.70
Mukesh Babubhai Patel	-	38.67
Rameshbhai Shivabhai Patel	-	2.53
Babubhai Punjabhai Patel	-	0.50
Jashiben Hasmukhbhai Patel	-	12.17
Savitaben Bhikhabhai Patel	-	0.17
Loan repaid		
Kiran Bhikhalal Patel	6.90	-
Mukesh Babubhai Patel	0.62	38.67
Rameshbhai Shivabhai Patel	85.02	-
Dineshbhai Ramanbhai Patel	87.62	60.00
Babubhai Punjabhai Patel	60.58	30.00
Bhikhabhai Ranchhodhbhai Patel	-	2.19
Chetanaben Mukeshbhai Patel	-	13.14
Dharmendrabhai Dineshbhai Patel	0.74	-
Dimpalben Dineshbhai Patel	0.67	-
Jashiben Hasmukhbhai Patel	-	24.34
Jigarbhai Bhikhabhai Patel	3.70	-
Jignaben Dharmendrabhai Patel	1.29	-
Rakeshbhai Shivabhai Patel	66.29	-
Kailashben Sureshbhai Patel	-	31.42
Ramanbhai Virabhai Patel	27.51	-
Reviben Ramanbhai Patel	50.18	-
Rinkuben Kiranbhai Patel	-	0.21
Savitaben Bhikhabhai Patel	-	2.49
Shivabhai Ramabhai Patel	-	0.00
Shushilaben Rameshbhai Patel	-	2.53
Vasantbhai Ramanbhai Patel	125.19	-
Equity Contribution in Subsidiary		
Exxaro Ceramic Limited	1.00	-

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

(C) Outstanding Balances with related party

Name of Related Party	Outstanding balance	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans from Directors and Relatives		
Kiran Bhikhalal Patel	-	6.90
Mukesh Babubhai Patel	-	0.62
Rameshbhai Shivabhai Patel	-	85.02
Dineshbhai Ramanbhai Patel	-	87.62
Babubhai Punjabhai Patel	-	60.58
Dharmendrabhai Dineshbhai Patel	-	0.74
Dimpalben Dineshbhai Patel	-	0.67
Jigarbhai Bhikhabhai Patel	-	3.70
Jignaben Dharmendrabhai Patel	-	1.29
Rakeshbhai Shivabhai Patel	-	66.29
Ramanbhai Virabhai Patel	-	27.51
Reviben Ramanbhai Patel	-	50.18
Vasantbhai Ramanbhai Patel	-	125.19

(D) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties

(E) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors

Note: 39 Fair Value Measurements

Accounting classification and fair values

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

(A) Financial instruments by category

31-Mar-22	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
[i] Financial assets						
Investment in equity instruments	-	-	1.00	-	-	-
Security deposit	-	-	209.50	-	-	-
Trade receivable	-	-	10,146.14	-	-	-

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

31-Mar-22	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Cash and cash equivalents	-	-	1,626.93	-	-	-
Bank balances other than cash and cash equivalents	-	-	321.49	-	-	-
Loans	-	-	4.81	-	-	-
Other financial assets	-	-	-	-	-	-
	-	-	12,309.86	-	-	-
[ii] Financial liabilities						
Borrowings	-	-	5,685.67	-	-	-
Trade payables	-	-	5,767.04	-	-	-
Other financial liabilities	-	-	557.74	-	-	-
	-	-	12,010.44	-	-	-

31-Mar-21	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
[i] Financial assets						
Investment in debt instruments	-	-	136.80	-	-	-
Security deposit	-	-	86.54	-	-	-
Trade receivable	-	-	9,008.20	-	-	-
Cash and cash equivalents	-	-	218.03	-	-	-
Bank balances other than cash and cash equivalents	-	-	350.38	-	-	-
Loans	-	-	5.15	-	-	-
Other financial assets	-	-	15.38	-	-	-
	-	-	9,820.48	-	-	-
[ii] Financial liabilities						
Borrowings	-	-	16,099.51	-	-	-
Trade payables	-	-	5,087.30	-	-	-
Other financial liabilities	-	-	563.02	-	-	-
	-	-	21,749.82	-	-	-

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

(B) Fair Value Heirarchy

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

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

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

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

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

(C) Valuation Techniques

Specific valuation techniques used to value financial instruments include

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

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

Note: 40 Capital Management

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

The capital gearing ratio is as follows:

Particulars	31-Mar-22	31-Mar-21
Borrowings (Incl. Current Maturity)	5,685.67	16,099.51
Less: Cash and Cash Equivalents	(1,626.93)	(218.03)
Adjusted Net Debt (A)	4,058.74	15,881.48
Equity Share Capital	4,474.11	3,355.51
Other Equity	22,205.63	10,248.29
Total Equity (B)	26,679.73	13,603.79
Adjusted Net Debt to Total Equity ratio (A/B)	0.15	1.17

Note: 41 Financial Risk Management

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

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

[A] Credit risk

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

Trade receivables

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

[B] Liquidity risk

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

Maturities of financial liabilities

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	Carrying amount	Upto 1 year	1 - 2 year	More than 2 years	Total
31-Mar-22					
Non-derivatives					
Borrowings (including interest accrued)	5,685.67	3,485.67	91.67	2,108.33	5,685.67
Trade payables	5,767.04	5,767.04	-	-	5,767.04
Other financial liabilities	557.74	514.18	-	43.55	557.74
Total	12,010.44	9,766.89	91.67	2,151.89	12,010.44
31-Mar-21					
Non-derivatives					
Borrowings (including interest accrued)	16,099.51	9,107.91	1,834.76	5,156.84	16,099.51
Trade payables	5,087.30	5,087.30	-	-	5,087.30
Other financial liabilities	563.02	520.96	-	42.05	563.02
Total	21,749.82	14,716.17	1,834.76	5,198.89	21,749.82

[C] Market risk

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

- Currency risk; and
- Interest rate risk

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

(i) Foreign currency risk

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

(a) Foreign currency risk exposure

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

Particulars	31-Mar-22	31-Mar-21
Financial assets		
Trade receivables		
USD	374.59	738.07
Net exposure to foreign currency risk (assets)	374.59	738.07
Financial liabilities		
Trade payables		
USD	38.51	47.33
Net exposure to foreign currency risk (liabilities)	38.51	47.33

(b) Foreign currency sensitivity analysis

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

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

(ii) Interest rate risk

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

Interest rate risk exposure

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

Particulars	31-Mar-22		31-Mar-21	
	Amount	% of total	Amount	% of total
Variable rate borrowing	5,685.67	100.00%	15,752.52	100.00%
Fixed rate borrowing	-	0.00%	-	0.00%
	5,685.67		15,752.52	

Sensitivity

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

Particulars	Impact on profit after tax	
	31-Mar-22	31-Mar-21
Interest rate increase by 100 basis points	(80.25)	(218.15)
Interest rate decrease by 100 basis points	80.25	218.15

Note: 42 Segment Information :

(a) Primary segment - Business Segment

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

(b) Secondary segment - Geographical Segment

Information of geographical segment:

Particulars	Year	In India	Outside India	Total
		(₹ In lakhs)	(₹ In lakhs)	(₹ In lakhs)
Segment Revenue	2021-22	31,880.52	653.33	32,533.84
	2020-21	21,878.86	3,542.40	25,421.26
Carrying cost of Assets by location of Assets	2021-22	15,026.93	-	15,026.93
	2020-21	15,941.18	-	15,941.18
Additions to Assets and Intangibles	2021-22	455.46	-	455.46
	2020-21	134.24	-	134.24

Notes On Standalone Financial Statements

for the year ended 31st March, 2022

Note: 43 Effect of change in accounting estimates

During the year the Company has changed its expected credit loss provision percentage from 30% and 10.60% to 5% on debtors outstanding for more than 6 months from the due date. The effect of such change in accounting estimate has not been quantified.

Note: 44

Previous year's figures have been regrouped wherever necessary.

As per our Report of even date

For and on behalf of the Board of Directors,

For H B Kalaria & Associates

Chartered Accountants
FRN : 104571W

Mukesh Patel

Managing Director
DIN: 01944968

Kiran Patel

Wholetime Director
DIN: 01918094

Hasmukh B Kalaria

Partner
Membership No.: 042002

Himanshu Shah

Chief Financial Officer
PAN: AMDPS6139B

Paras Shah

Company Secretary
PAN: GNPPS9855F

Rajkot, May 27, 2022

Talod (Sabarkantha), May 27, 2022

Independent Auditor’s Report

To the Members of **Exxaro Tiles Limited**
(Formerly known as “Exxaro Tiles Private Limited” and
“RICASIL Ceramic Industries Pvt. Ltd.”)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Exxaro Tiles Limited (“the Parent”)**, (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) and its subsidiary (the parent and its subsidiary together referred to as “the Group”) which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows, and Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of

the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined that there are no other key audit matters to communicate in our report except as stated in Emphasis of Matter below.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

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

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

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

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

Responsibility of Management for the Consolidated Financial Statements

The Parent’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 consolidated 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 Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibility for the Audit of the Consolidated Financial Statements

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

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note 36 to the consolidated financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

1. The respective Management of the Company and its subsidiary have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiary company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

2. The respective Management of the Company and its

subsidiary have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material misstatement.

- v. The Company or of such subsidiary has not paid any dividends during the year and hence, the provisions of Section 123 of the Act are not applicable to the Company.

For, **HB Kalaria and Associates**

Firm Reg. No. 104571W
Chartered Accountants

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN: 22042002AJSBZP2268

Place: Rajkot
Date: 27/05/2022

Annexure A

Referred to in point f. of the section Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Exxaro Tiles Limited (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) on the consolidated financial statements for the year ended March 31, 2022

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over the financial reporting of Exxaro Tiles Limited ("the Company") (Formerly known as Exxaro Tiles Private Limited and Ricasil Ceramic Industries Private Limited) and its subsidiary as of that date.

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an

audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system over financial reporting of the Company and its subsidiary company.

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 consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition,

use, or disposition of the company's assets that could have a material effect of consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its subsidiary have, 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN: 22042002AJSBZP2268

Place: Rajkot
Date: 27/05/2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ In lakhs)				
	Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
I.	ASSETS			
	Non-Current Assets			
	(a) Plant, Property and Equipments	3	15,026.93	15,941.18
	(b) Intangible Assets	3	-	-
	(c) Financial Assets			
	(i) Non-Current Investments	4	-	136.80
	(ii) Other Non-Current Financial Assets	5	246.67	123.73
	Total Non-Current Assets		15,273.60	16,201.71
	Current Assets			
	(a) Inventories	6	11,435.29	10,433.58
	(b) Financial Assets			
	(i) Trade Receivable	7	10,146.14	9,008.20
	(ii) Cash and Cash Equivalents	8	1,627.72	218.03
	(iii) Bank Balances Other Than (ii) Above	9	284.32	313.20
	(iv) Loans	10	4.81	5.15
	(v) Other Financial Assets	11	-	15.38
	(c) Other Current Assets	12	1,712.59	736.21
	Total Current Assets		25,210.86	20,729.73
	TOTAL ASSETS		40,484.45	36,931.44
II.	EQUITY AND LIABILITIES			
	Equity			
	a) Equity Share Capital	13	4,474.11	3,355.51
	b) Other Equity	14	22,205.27	10,248.29
	Total Equity		26,679.37	13,603.79
	Liabilities			
	Non-Current Liabilities			
	a) Financial Liabilities			
	(i) Borrowings	15	2,200.00	6,991.60
	(ii) Other Financial liabilities	16	43.55	42.05
	b) Deferred Tax Liabilities (Net)	17	650.69	299.69
	c) Long Term Provisions	18	111.25	105.00
	Total Non Current Liabilities		3,005.50	7,438.34
	Current Liabilities			
	a) Financial Liabilities			
	(i) Borrowings	19	3,485.67	9,107.91
	(ii) Trade Payables	20	5,767.04	5,087.30
	(iii) Other Financial Liabilities	21	514.18	520.96
	b) Other Current Liabilities	22	696.78	547.60
	c) Short Term Provisions	23	237.84	329.08
	d) Current Tax Liabilities (Net)	24	98.08	296.46
	Total Current Liabilities		10,799.58	15,889.30
	Total Liabilities		13,805.08	23,327.65
	TOTAL EQUITY AND LIABILITIES		40,484.45	36,931.44

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

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

Hasmukh B Kalaria
Partner
Membership No.: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel
Wholetime Director
DIN: 01918094

Paras Shah
Company Secretary
PAN: GNPPS9855F

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ In lakhs)				
	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from Operations	25	32,533.84	25,514.49
II.	Other Income	26	132.52	363.59
III.	Total Income (I + II)		32,666.36	25,878.08
IV.	Expenses:			
	Cost of Materials Consumed	27	9,252.85	7,799.56
	Purchases of Stock-in-Trade	28	2,768.93	768.07
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(337.22)	(126.82)
	Employee Benefits Expense	30	2,406.74	1,925.47
	Finance Costs	31	997.68	2,125.98
	Depreciation and Amortization Expense	3	1,363.72	1,363.42
	Other Expenses	32	13,598.84	10,306.35
	Total Expenses		30,051.53	24,162.03
V.	Profit before exceptional items and tax (III-IV)		2,614.83	1,716.06
VI.	Exceptional income/(expenses)-Net		-	-
VII.	Profit before tax (V + VI)		2,614.83	1,716.06
VIII.	Tax expense:	33		
	(1) Current tax		439.45	307.22
	(2) MAT credit availed / (entitlement)		320.93	(111.32)
	(3) Deferred tax liability/(assets)		29.68	(23.04)
	(4) Prior Period Tax		14.64	20.85
IX.	Profit for the year from continuing operations (VII-VIII))		1,810.13	1,522.34
X.	Other Comprehensive Income/(Expense) (OCI) net of tax expense			
	(1) Items that will not be reclassified to Profit and Loss Account		(1.88)	10.26
	Less: Income Tax impact on above		(0.49)	2.67
	(2) Items that will be reclassified to Profit and Loss Account		-	-
	Less: Income Tax impact on above			
XI.	Total Other Comprehensive Income/(Expenses) (OCI) net of tax expense		(1.39)	7.59
XII.	Total Comprehensive Income (IX + XI)		1,808.73	1,529.93
XIII.	Earnings per equity share of ₹ 10 each	34		
	(1) Basic		4.45	4.54
	(2) Diluted		4.45	4.54

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

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

Hasmukh B Kalaria
Partner
Membership No.: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel
Wholetime Director
DIN: 01918094

Paras Shah
Company Secretary
PAN: GNPPS9855F

Consolidated Statement of Change in Equity

for the year ended 31st March, 2022

(₹ In lakhs)

A	Equity Share Capital	Amount
	Balance as at 1 st April 2020	3,355.51
	Change in Equity Share Capital during the year	-
	Balance as at 31 st March 2021	3,355.51
	Change in Equity Share Capital during the year	1,118.60
	Balance as at 31 st March 2022	4,474.11

B Other Equity

Particulars	Reserves and Surplus					Total
	Securities Premium	Retained Earnings	Capital Redemption Reserve	Other Comprehensive Income	Equity Component of Financial Instruments	
Balance as at 1 st April 2020	3,427.38	4,498.03	-	7.78	785.16	8,718.35
Profit for the year	-	1,522.34	-	-	-	1,522.34
Other Comprehensive Income	-	-	-	7.59	-	7.59
Total Comprehensive Income for the year	3,427.38	6,020.37	-	15.38	785.16	10,248.29
Balance as at 31 st March 2021	3,427.38	6,020.37	-	15.38	785.16	10,248.29

Particulars	Reserves and Surplus					Total
	Securities Premium	Retained Earnings	Capital Redemption Reserve	Other Comprehensive Income	Equity Component of Financial Instruments	
Balance as at 1 st April 2021	3,427.38	6,020.37	-	15.38	785.16	10,248.29
Profit for the year	-	1,810.13	-	-	-	1,810.13
Issue of equity shares	12,274.09	-	-	-	-	12,274.09
Public issue expenses	(1,432.08)	-	-	-	-	(1,432.08)
Transfer to capital redemption reserve	-	(281.25)	281.25	-	-	-
Repayment of preference shares	-	-	-	-	(693.76)	(693.76)
Transfer to retained earning	-	91.40	-	-	(91.40)	-
Other Comprehensive Income	-	-	-	(1.39)	-	(1.39)
Total Comprehensive Income for the year	14,269.39	7,640.64	281.25	13.98	-	22,205.27
Balance as at 31 st March 2022	14,269.39	7,640.64	281.25	13.98	-	22,205.27

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

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

Hasmukh B Kalaria
Partner
Membership No.: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel
Managing Director
DIN: 01944968

Himanshu Shah
Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel
Wholetime Director
DIN: 01918094

Paras Shah
Company Secretary
PAN: GNPPS9855F

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

(₹ In lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	Cash Flow from Operating Activity		
	Net Profit Before Tax	2,614.83	1,716.06
	Adjustments For:		
	Depreciation	1,363.72	1,363.42
	Interest & Financial Expenses	997.68	2,125.98
	(Profit)/Loss on sale of Fixed Asset	-	5.87
	Bad Debts written off	9.92	13.22
	Interest Received on Deposits	(22.97)	(34.28)
	Loss/(Gain) on Investments	(0.62)	-
	Provision for Debtors	(156.94)	55.86
	Operating profit before Working Capital Changes	4,805.62	5,246.14
	Adjustment For:		
	Inventories	(1,001.71)	111.53
	Trade Receivables	(990.92)	558.37
	Other Non-Current Financial Assets	(122.94)	9.15
	Financial Assets- Loans	0.34	(0.01)
	Short-term loans and advances	(289.90)	(1.52)
	Trade Payables	679.74	(1,884.68)
	Short-term Provisions	(93.12)	304.06
	Other Non-current Financial Liabilities	1.50	(27.60)
	Long-term Provisions	6.25	25.63
	Other Current Liabilities	149.18	(56.95)
	Other Current Financial Liabilities	(15.23)	(212.04)
	Taxes Paid	(651.60)	(293.51)
	Net Cash Generated from Operations	2,477.21	3,778.57
B.	Cash Flow from Investment Activities		
	Changes in Creditors for Fixed Assets	8.45	(28.65)
	Purchase of Property, Plant and Equipments	(455.46)	(134.24)
	Proceeds from sale of PPE	5.99	12.62
	Bank Balances not considered as Cash Equivelant	28.88	(12.03)

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Change in Short-term loans and advances - Capital Advance	(686.48)	(29.72)
	Sale of Investment	136.80	-
	Gain/(Loss)on Investments	0.62	-
	Interest Received	38.35	20.94
	Net Cash Flow from Investment Activities	(922.85)	(171.08)
C.	Cash Flow from Financial Activities:		
	Issue of Equity Shares for Cash	1,118.60	-
	Securities Premium on Issue of Shares	12,274.09	-
	Payment of public issue expenses	(1,432.08)	-
	Redumption of Preference shares	(1,040.76)	-
	Changes in Long Term Borrowings (Net)	(4,444.61)	(1,646.57)
	Changes in Short Term Borrowings (Net)	(5,622.24)	330.24
	Interest & Financial Expenses	(997.68)	(2,125.98)
	Net Cash Flow from Financial Activities	(144.67)	(3,442.31)
	Total of Cash Flow (A+B+C)	1,409.69	165.18
	Cash & Cash Equivalent at the beginning of the year	218.03	52.84
	Cash & Cash Equivalent at the ending of the year	1,627.72	218.03
	Cash & Cash Equivalent comprising of		
	Cash on Hand	12.74	6.54
	Balances with Scheduled Banks	1,614.98	211.48
		1,627.72	218.03

Note: 1. The above statement shall be read in conjunction with accompanying notes
2. Previous year's figures have been regrouped wherever necessary to confirm this year's classification.

As per our Report of even date

For H B Kalaria & Associates

Chartered Accountants
FRN : 104571W

Hasmukh B Kalaria

Partner
Membership No.: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel

Managing Director
DIN: 01944968

Himanshu Shah

Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel

Wholetime Director
DIN: 01918094

Paras Shah

Company Secretary
PAN: GNPPS9855F

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Background

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

1.2 Basis for Consolidation

The subsidiary considered in these consolidated financial statements are as under:

Name of Subsidiary	Country of Incorporation	Percentage of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Exxaro Ceramic Limited	India	100%	Nil

The financial statements of the Holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flow, after fully eliminating intra-group balances and intra-group transaction.

Profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and property, plant and equipment, are eliminated in full.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of is assets less liabilities as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

2. Significant Accounting Policies followed by the Company

A. Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) Current non-current classification

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

(iv) Rounding of amounts

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

B. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

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

C. Segment reporting:

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

D. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

E. Revenue recognition

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

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

Sale of goods

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

Other operating revenue

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

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

F. Income tax

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

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

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

G. Impairment of non-financial assets

Property, plant and equipments (PPE) and Intangible assets (IA) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in

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

H. Cash and cash equivalents

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

I. Trade receivables

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

J. Inventories

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

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

K. Investments and other financial assets

(i) Classification

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

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

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

(ii) Measurement

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

Debt instruments:

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

- (1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where

the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. During the year the company has changed expected credit loss provision percentage to 5% on debtors having outstanding for more than 6 months from the date of transactions as compare to previous year provision of 10.6% on debtors having outstanding for more than 6 months from the date of transactions and 30% on debtors which have significant increase in credit risk.

(iv) Income recognition

Interest income

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

Dividends

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

L. Property, plant and equipment

Property, plant and equipment are measured at cost/ deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

M. Investment properties

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

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

N. Intangible assets

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

Computer software

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

Amortisation method and useful life

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

O. Borrowings

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

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

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

P. Borrowing costs

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

Q. Provisions and contingent liabilities

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

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

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

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

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

R. Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Gratuity obligations

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered provident funds as per local

regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

S. Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Note: 3 Property, Plant & Equipments

(₹ In lakhs)

Fixed Assets	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	As at 1 st April 2021	Addi-tions	Adjust-ment/ Deduc-tion	As at 31 st March 2022	As at 1 st April 2021	For the year	Adjust-ment/ Deduc-tion	As at 31 st March 2022	As at 31 st March 2022	As at 31 st March 2021
(A) Tangible Assets										
Land	773.88	-	-	773.88	-		-	-	773.88	773.88
Buildings	3,411.09	54.43	-	3,465.52	632.04	105.74	-	737.78	2,727.74	2,779.05
Plant and Equipment	18,745.95	371.97	-	19,117.92	6,578.65	1,211.77	-	7,790.42	11,327.51	12,167.31
Furniture and Fixtures	172.04	22.72	-	194.76	73.13	16.01	-	89.13	105.62	98.91
Vehicles	288.66	0.85	22.84	266.68	179.70	25.06	16.84	187.92	78.76	108.97
Computer	80.26	3.23	-	83.49	73.80	2.34	-	76.14	7.35	6.45
Office Equipments	50.32	2.26	-	52.58	43.70	2.80	-	46.50	6.08	6.61
Sub Total :	23,522.20	455.46	22.84	23,954.82	7,581.02	1,363.72	16.84	8,927.89	15,026.93	15,941.18
(B) Intangible Assets										
Computer Software	24.94	-	-	24.94	24.94	-	-	24.94	-	-
Sub Total :	24.94	-	-	24.94	24.94	-	-	24.94	-	-

(₹ In lakhs)

Fixed Assets	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	As at 1 st April 2020	Addi-tions	Adjust-ment/ Deduc-tion	As at 31 st March 2021	As at 1 st April 2020	For the year	Adjust-ment/ Deduc-tion	As at 31 st March 2021	As at 31 st March 2021	As at 31 st March 2020
(A) Tangible Assets										
Land	773.88	-	-	773.88	-	-	-	-	773.88	773.88
Buildings	3,386.60	24.49	-	3,411.09	527.18	104.86	-	632.04	2,779.05	2,859.42
Plant and Equipment	18,642.79	103.16	-	18,745.95	5,383.49	1,195.15	-	6,578.65	12,167.31	13,259.30
Furniture and Fixtures	165.59	6.45	-	172.04	57.15	15.98	-	73.13	98.91	108.44
Vehicles	319.17	-	30.51	288.66	153.99	37.72	12.02	179.70	108.97	165.18
Computer	80.12	0.14	-	80.26	67.72	6.08	-	73.80	6.45	12.40
Office Equipments	50.32	-	-	50.32	40.08	3.62	-	43.70	6.61	10.23
Sub Total :	23,418.47	134.24	30.51	23,522.20	6,229.62	1,363.42	12.02	7,581.02	15,941.18	17,188.85
(B) Intangible Assets										
Computer Software	24.94	-	-	24.94	24.94	-	-	24.94	-	-
Sub Total :	24.94	-	-	24.94	24.94	-	-	24.94	-	-
Total :	23,443.41	134.24	30.51	23,547.14	6,254.56	1,363.42	12.02	7,605.96	15,941.18	17,188.85

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Note: 4 Non Current Investments

(₹ In lakhs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	nos of units	Amount	nos of units	Amount
Investment in Debt Instruments:				
(fully paid, at cost)				
Quoted:				
Edelweiss Finance & Investment Ltd. of ₹1000 each	-	-	13,680	136.80
Total	-	-	13,680	136.80
Aggregate Market Value of quoted investments		-		150.86

Note: 5 Other Non-Current Financial Assets

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured, considered good)		
Security Deposits (Asset)	209.50	86.54
Bank Fixed Deposit (having maturity period more than 12 months)	37.17	37.18
Total	246.67	123.73

Note: 6 Inventories

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Raw Materials	1,651.71	1,087.29
Work-in-Progress	1,653.97	1,655.85
Finished Goods	7,458.11	7,119.00
Stores and Spares	587.30	516.68
Fuel	84.19	54.75
Total	11,435.29	10,433.58

Note: 7 Trade Receivables

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,253.53	1,176.63
Trade Receivables which have significant increase in credit risk	389.03	381.16
Less: Expected Credit Loss	82.13	239.07
Sub total	1,560.43	1,318.72
Trade receivables outstanding for a period less than six months from the date they are due for payment		

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, considered good - TR - less than 6 month	8,585.71	7,689.48
Total	10,146.14	9,008.20

7.1 Trade receivables ageing schedule

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Outstanding for the following periods from the date of transaction)		
Unsecured		
Undisputed trade receivables - considered good		
Less than 6 months	8,585.71	7,689.48
6 months -1 year	534.16	558.41
1-2 years	332.92	357.66
2-3 years	188.92	131.16
More than 3 years	197.53	129.40
	9,839.24	8,866.11
Disputed trade receivables - which have significant increase in credit risk		
Less than 6 months	-	-
6 months -1 year	11.24	-
1-2 years	-	58.06
2-3 years	74.10	96.79
More than 3 years	303.68	226.31
	389.03	381.16
Sub total	10,228.27	9,247.27
Less: Expected Credit Loss	82.13	239.07
Total	10,146.14	9,008.20

Note: 8 Cash and Cash Equivelants

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Bank Balances:-		
In Current Account	614.98	211.48
In Fixed Deposit Account (having maturity period less than 3 months)	1,000.00	-
Cash on hand	12.74	6.54
Total	1,627.72	218.03

Note: 9 Other Bank Balances

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Bank Balances:-		
Earmarked Balances with Banks		
Others	-	6.47
Fixed Deposit Account (having maturity period within 12 months)	284.32	306.73
Total	284.32	313.20

Note: 10 Loans - Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured and Considred Good)		
Loans to Others	2.59	2.93
Loans to Employees	2.22	2.22
Total	4.81	5.15

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Note: 11 Other Financial Assets-Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest and Dividend Receivables on Investments	-	15.38
Total	-	15.38

Note: 12 Other Current Assets

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory Receivable (net)	598.77	424.14
Advances to Suppliers	269.77	174.72
Capital Advances	764.74	78.26
Advances Recoverable in Cash or in Kind	4.82	9.16
Prepaid Expenses	74.49	49.92
Total	1,712.59	736.21

Note:13 Equity Share Capital

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised		
5,00,00,000 (Previous years 5,00,00,000) Equity Shares of ₹ 10/- each.	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, Subscribed & Paid up		
4,47,41,070 (Previous year 3,35,55,070) Equity Shares of ₹ 10/- each,fully	4,474.11	3,355.51
Total	4,474.11	3,355.51

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

Particulars	No. of Shares	As at 31 st March, 2022	No. of Shares	As at 31 st March, 2021
	(In Nos.)	(₹ In lakhs)	(In Nos.)	(₹ In lakhs)
Shares outstaning at beginning of the year	33,555,070	3,355.51	33,555,070	3,355.51
Add: Issue of shares	11,186,000	1,118.60	-	-
Shares outstaning at end of the year	44,741,070	4,474.11	33,555,070	3,355.51

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

Name of the Shareholder	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mukeshbhai Babubhai Patel	3,135,988	7.01%	3,135,988	9.35%
Kiranbhai Bhikhalal Patel	4,702,064	10.51%	4,702,064	14.01%
Dineshbhai Ramanbhai Patel	7,553,307	16.88%	7,553,307	22.51%
Dixitkumar Kacharabhai Patel	2,340,916	5.23%	4,578,916	13.65%

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Name of the Shareholder	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rameshbhai Shivabhai Patel	3,127,646	6.99%	3,127,646	9.32%
Hitendrabhai Kacharabhai Patel	1,763,007	3.94%	1,763,007	5.25%

13.3 Details of shares held by promoters at the end of the year

Name of the Promoter	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mukeshbhai Babubhai Patel	3,135,988	7.01%	3,135,988	9.35%
Kiranbhai Bhikhalal Patel	4,702,064	10.51%	4,702,064	14.01%
Dineshbhai Ramanbhai Patel	7,553,307	16.88%	7,553,307	22.51%
Rameshbhai Shivabhai Patel	3,127,646	6.99%	3,127,646	9.32%

* there is no change in promoters holding during current year and previous year

13.4 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Note: 14 Other Equity

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Securities Premium		
Opening Balance	3,427.38	3,427.38
(+) Issue of equity shares	12,274.09	-
(-) Public issue expenses	1,432.08	-
Balance as at year end	14,269.39	3,427.38
B. Retained Earnings		
Opening balance	6,020.37	4,498.03
(+) Net Profit for year	1,810.13	1,522.34
(+) Transfer from Equity Component of Financial Instruments	91.40	-
(-) Transfer to Capital Redumption Reserve	281.25	-
Balance as at year end	7,640.64	6,020.37
C. Other Comprehensive Income		

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Opening balance	15.38	7.78
(+) Changes during the year	(1.39)	7.59
Balance as at year end	13.98	15.38
D. Capital Redumption Reserve		
Opening balance	-	-
(+) Transfer from Retained Earnings	281.25	-
Balance as at year end	281.25	-
E. Equity Component of Financial Instruments		
Opening balance	785.16	785.16
(-) Repayment of preference shares	693.76	-
(-) Transfer to retained earnings	91.40	-
Balance as at year end	-	785.16
Total	22,205.27	10,248.29

Note: 15 Borrowings-Non Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Secured		
Term loans from banks	-	3,899.20
Term loans from others	-	1,331.35
Vehicle loan from banks	-	3.16
Working capital term loans from banks	2,200.00	-
Unsecured		
Preference shares	-	346.99
Loans from banks	-	-
Loans from other than banks	-	7.42
Loans from intercorporate bodies	-	195.07
Loans from directors	-	180.17
Loans from relatives & shareholders	-	1,028.24
Total	2,200.00	6,991.60

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

15.1 Terms of Repayment of Loans:

Particulars(Name of financier)	Nature of Security	Terms of Repayment	Rate of Interest
Working capital term loans from banks (Axis Bank)	Charge over entire current asset and movable asset of the company	Repayable in 48 Monthly Installments of ₹ 45,83,300 (after moratorium of 2 years)	6.75%

15.2 Details of Preference Shares:

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised		
60,00,000 Preference Shares of ₹ 10/- each.	600.00	600.00
Issued, Subscribed & Paid up		
C.Y.: Nil (P.Y.:28,12,529) Preference Shares of ₹10/- each,fully	-	281.25

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

Name of the Shareholder	As at 31 st March, 2022			As at 31 st March, 2021	
	No. of Shares held	% of Holding	% change during the year	No. of Shares held	% of Holding
Mukeshkumar Babubhai Patel	-	0.00%	-100.00%	170,516	6.06%
Kiranbhai Bhikhalal Patel	-	0.00%	-100.00%	153,465	5.46%
Rameshbhai Shivabhai Patel	-	0.00%	-100.00%	170,517	6.06%
Dixitkumar Kacharabhai Patel	-	0.00%	-100.00%	246,570	8.77%

* there is no change in promoters holding during previous year

Note: 16 Other Financial Liabilities - Non Current (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Security deposits from dealers	43.55	42.05
Total	43.55	42.05

Note: 17 Deferred Tax Liability (Net) (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred Tax Liability	1,598.31	1,627.83
Less: Deferred Tax Asset	(59.59)	(118.30)
Net Deferred Tax Liability/(Asset)	1,538.73	1,509.54
Less: MAT Credit	888.03	1,209.84
Total	650.69	299.69

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Note: 18 Long term provisions

(₹ In lakhs)		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employee benefits:		
Leave Encashment	6.08	5.84
Gratuity	105.17	99.16
Total	111.25	105.00

Note: 19 Borrowings- Current

(₹ In lakhs)		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current Maturities of Long Term Debts	7.48	1,760.42
Secured		
Working Capital Loans from banks	3,478.19	5,347.49
Working Capital Loan from other than bank	-	2,000.00
Total	3,485.67	9,107.91

19.1 Terms of Repayment

Particulars (Name of financier)	Nature of Security	Terms of Repayment	Rate of Interest
Working Capital Loan from bank (State Bank of India, Axis Bank)	First and exclusive charge on entire current assets by way of hypothecation of entire raw materials, stock-in-process, stores & spares, packing material, finished goods & book debt of the Company	Repayable on demand	Ranging from 7.50% to 8.95%

Note: 20 Trade Payables

(₹ In lakhs)		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Micro, Small and Medium Enterprises *	-	-
Others		
- For Raw material & Packing Material	2,484.18	2,834.34
- For Finished Goods	1,405.17	185.00
- For Expenses & Others	1,877.69	2,067.96
Total	5,767.04	5,087.30

***Note :** Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosure are required to be made for enterprises which are covered under the Act. Since the company is in a process of compiling relevant

information from its suppliers about their coverage under the said Act, no disclosures have been made. However, in view of the management ,the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

20.1 Trade payables ageing schedule (₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Outstanding for the following periods from the date of transaction)		
Undisputed trade payables - other than MSMEs		
Less than 1 year	5,353.66	4,056.77
1-2 years	211.11	505.04

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
2-3 years	127.21	291.92
More than 3 years	75.05	233.56
Total	5,767.04	5,087.30

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Principal amount due and remaining unpaid at the year end	-	-
Interest due on above and remaining unpaid interest at the year end	-	-
Interest paid other than sec 16 beyond the appointed day during the year	-	-
Principal amount paid beyond the appointed day during the year	-	-
Interest paid under sec 16 beyond appoint day during the year	-	-
Interest due and payable for payment already made	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Note: 21 Other Financial Liabilities - Current

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest accrued and due on borrowings	11.39	-
Capital Creditors	97.63	89.18
Employee Related Liabilities	405.16	431.78
Total	514.18	520.96

21.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2022

Note: 22 Other Current Liabilities

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory Dues	591.64	455.54
Advance from Customers	105.14	92.06
Total	696.78	547.60

Note: 23 Short Term Provisions

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Expenses	202.03	299.05
Provision for Employee Benefits:		
Leave Encashment	4.15	2.78
Gratuity	31.66	27.24
Total	237.84	329.08

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Note: 24 Current Tax Liabilities (Net)

(₹ In lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Income-tax	98.08	296.46
Total	98.08	296.46

Note: 25 Revenue from Operations

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products		
(a) Domestic Sales	31,880.52	21,878.86
(b) Export Sales	653.33	3,542.40
	32,533.84	25,421.26
Other Operating Revenue	-	93.23
Total	32,533.84	25,514.49

Note: 26 Other Income

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Financial Assets		
On Bank Fixed Deposits	17.88	20.94
On Non-Current investments	5.09	13.34
On Others	27.41	-
Other Gain and Losses		
Gain/(Loss)on Investments	0.62	-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Duty Drawback	11.52	77.08
MEIS Licence Sales Income	63.72	74.09
Rent Income	0.60	4.09
Miscellaneous Income*	5.68	174.06
Total	132.52	363.59

* Misc. Income includes creditors written back (net of debtors written off)

Note: 27 Cost of Materials Consumed

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Inventory	1,087.29	1,513.30
Add : Purchase	9,817.28	7,373.55
Less : Closing Inventory	1,651.71	1,087.29
Total	9,252.85	7,799.56

Note: 28 Purchase of Stock in Trade

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock in Trade	2,768.93	768.07

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

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

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories (at close):		
Work-in-Process	1,653.97	1,655.85
Finished Goods	7,458.11	7,119.00
	9,112.08	8,774.85
Inventories (at commencement):		
Work-in-Process	1,655.85	1,627.48
Finished Goods	7,119.00	7,020.55
	8,774.85	8,648.03
Total	(337.22)	(126.82)

Note: 30 Employee benefit expenses

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages	2,286.96	1,824.80
Contributions to -		
Provident fund, Superannuation scheme & Other funds	69.73	61.48
Staff welfare expenses	50.05	39.19
Total	2,406.74	1,925.47

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

Defined Benefit Gratuity Plan:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(I) Amount Recognised in Balance Sheet		
Present value of unfunded Obligations	-	126.39
Present value of funded Obligations	161.83	-
Fair Value of plan assets	(25.00)	-
Net Liability (asset)	136.83	126.39
(II) Amounts to be recognised in Profit and Loss Account		

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service Cost		
Current Service Cost	27.80	24.62
Past Service Cost		
Curtailment and settlement		
Net Interest Cost	5.86	5.25
Total included in Employees Expenses	33.66	29.87
Expenses Deducted from the Fund	-	-
Total Charged to profit and loss	33.66	29.87
(III) Other Comprehensive Income for the Period		
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	(2.46)	1.03
Due to change in demographic assumption		
Due to Experience Adjustments	4.34	(11.29)
Return on planned assets excluding amounts included in interest income		
Amount Recognised in Other Comprehensive Income	1.88	(10.26)
(IV) Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	126.39	107.16
Interest cost	5.86	5.25
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	(2.46)	1.03
Due to change in demographic assumption	-	-
Due to Experience Adjustments	4.34	(11.29)
Current Service Cost	27.80	24.62
Loss/Gain on Curtailment	-	-
Liabilities Extinguished on settlement	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange difference of foreign plan	-	-
Benefits Paid	(0.11)	(0.37)
Closing Defined Benefit Obligation	161.83	126.39
(V) Assumptions:		
Discount Rate (per annum)	5.70%	5.20%
Rate of Increase in Salary	7.00%	7.00%
Withdrawal Rate	45% at younger age reducing to 10% at elder age	45% at younger age reducing to 10% at elder age

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Note: 31 Finance Cost

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses		
On Long Term Loan	492.92	1,317.19
On Short Term Loan	349.73	617.76
On Other Borrowing and/or late payments	53.32	73.26
On Preference Share Liability*	-	23.54
Other Borrowing Costs	101.71	94.24
Total	997.68	2,125.98

*Company has redeemed preference share during the current year, hence current year amortization cost of preference shares has not been debited to statement of profit and loss account.

Note: 32 Other Expenses

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Direct Expenses		
Stores and Spares Consumed	2,024.13	1,225.28
Power and Fuel	10,670.52	7,492.75
Factory and Other Expenses	43.67	38.83
Repairs to Machinery	127.28	82.91
Indirect Expenses		
Office Electricity Expense	4.65	5.29
Rent Expense	97.48	133.90
Transportation and Distribution Expenses	46.63	70.24
Office Expense	15.65	12.64
Repairs to Others	15.02	0.24
Insurance	62.42	85.84
Rates and Taxes	50.09	53.71
Discounts	44.97	90.84
Telephone and Postage	15.74	19.60
Printing and Stationery	10.09	6.12
Donation and Other Subscriptions	-	0.51

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Registration and Filing Fees	0.58	0.83
Legal & Professional Fees	46.28	33.06
Public Issue Expenses	-	80.89
Travelling and Conveyance	160.04	122.79
Payments to Auditors	4.40	4.00
Advertisement and Publicity	75.03	27.42
Safety and Security Expense	26.28	33.59
Information Technology Expense	11.89	16.34
Payment for Technical Services	1.05	1.32
Warranty and Breakage Expenses	13.70	62.30
Commission to Selling Agents	68.82	41.33
CSR Expense	25.39	26.20
Loading and Unloading Cost	1.29	1.05
Export Expenses	70.90	449.11
Foreign Exchange Loss (net)	10.87	12.05
Bad Debts	9.92	13.22
Loss on Sale of Asset	-	5.87
Provision for Expected credit loss	(156.94)	55.86
Miscellaneous Expenses	1.00	0.41
Total	13,598.84	10,306.35

32.1 Expenditure incurred on Corporate Social Responsibility Activities

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent by the company during the year	25.39	26.20
Amount spent during the year on :		
Construction/ Acquisition of any asset	-	-
On purpose other than above	25.39	26.20
Amount of shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Nature of CSR activity	Healthcare services by providing oxygen plant and for spreading education of drug addiction in youth across Gujarat	Promotion of educational activity in rural area

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

32.2 Payments to Auditors as:

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Auditors :		
i) Audit Fees	3.90	3.50
ii) For Taxation matters	0.50	0.50
iii) For others	-	-
Total	4.40	4.00

Note: 33 Income Tax

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Tax Expenses		
Current tax	439.45	307.22
Deferred tax liability/ (assets)	29.68	(23.04)
Prior Period Tax	14.64	20.85
	483.77	305.04

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate		
Profit/ (loss) before tax	2,614.83	1,716.06
India's statutory income tax rate	29.12%	29.12%
Expected income tax expense as per applicable taxes	761.44	499.72
Non-deductibles expenses	23.21	23.21
Prior Period Tax	(14.64)	(20.85)
Changes due to brought forward tax losses	-	48.66
Difference due to different tax rate	(304.58)	(199.89)
Others	18.34	(45.82)
Total	483.77	305.04

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Note: 34 Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ In lakhs)	1,810.13	1,522.34
Weighted average number of shares considered for calculating EPS (In Nos.)	40,665,075	33,555,070
Basic Earnings per share (₹)	4.45	4.54
Diluted Earnings per share (₹)	4.45	4.54
Face Value per equity share (₹)	10.00	10.00

Note: 35 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) C.I.F. Value of imports :		
Raw Materials	-	-
Capital Goods	88.00	60.91
Stores & Spares	75.43	90.34
(B) Earnings in Foreign currencies:		
F.O.B. value of Exports	644.76	3,508.02

Note: 36 Contingent Liabilities not provided for in respect of

(₹ In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax matters in dispute in respect of Assessment dues before CIT (Appeal).	250.53	250.53
Sales Tax liability under dispute before Commercial Tax (Appeal) for F.Y. 2010-11	-	12.58
Sales Tax liability under dispute before Commercial Tax (Appeal) for F.Y. 2011-12	110.89	110.89
Bank Guarantee issued by Bank	1,223.54	976.72
Letter of credit issued by Bank	135.04	205.07
EPCG Obligation	560.58	1,943.57

Note: 37 Additional regulatory information

37.1 Security of current assets against borrowings

The Company is having borrowings from banks or financial institutions against which security of current assets is given. Quarterly returns and statements of current assets filed by the Company with banks and financial institutions are generally in agreement with the books of accounts. There are no material discrepancies found.

37.2 Compliance with number of layers of companies

The Company has complied with the number of layers of Companies as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

37.3 Analytical ratios

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	% change
Current ratio			
Current assets (in ₹ lacs) (A)	25,210.86	20,729.73	
Current liabilities (in ₹ lacs) (B)	10,799.58	15,889.30	
Ratio (times) = (A)/(B)	2.33	1.30	78.93%
Debt-equity ratio			
Total debt (in ₹ lacs) (A)	5,685.67	16,099.51	
Shareholders' funds (in ₹ lacs) (B)	26,679.37	13,603.79	
Ratio (times) = (A)/(B)	0.21	1.18	-81.99%
Debt service coverage ratio			
Net profit/(loss) before tax (in ₹ lacs)	2,614.83	1,716.06	
Add: Finance cost (in ₹ lacs)	997.68	2,125.98	
Add: Depreciation and amortisation expense (in ₹ lacs)	1,363.72	1,363.42	
Earnings available for debt services (in ₹ lacs) (A)	4,976.23	5,205.45	
Interest expnese (in ₹ lacs)	997.68	2,125.98	
Principal repayment (in ₹ lacs)	7,230.67	885.37	
Debt service (in ₹ lacs) (B)	8,228.35	3,011.35	
Ratio (times) = (A)/(B)	0.60	1.73	-65.01%
Return on equity			
Net profit/(loss) after tax (in ₹ lacs) (A)	1,810.13	1,522.34	
Average shareholders' funds (in ₹ lacs) (B)	20,141.58	12,838.83	
Ratio (%) = (A)/(B)	8.99%	11.86%	-24.21%
Inventory turnover ratio			
Cost of goods sold (in ₹ lacs) (A)	24,550.16	17,280.59	
Average inventory (in ₹ lacs) (B)	10,934.43	10,489.34	
Ratio (times) = (A)/(B)	2.25	1.65	36.28%
Trade receivables turnover ratio			
Revenue from operations (in ₹ lacs) (A)	32,533.84	25,514.49	
Average trade receivables (in ₹ lacs) (B)	9,577.17	9,321.93	
Ratio (times) = (A)/(B)	3.40	2.74	24.11%
Trade payables turnover ratio			
Total purchase (in ₹ lacs) (A)	25,380.91	17,047.32	
Average trade payables (in ₹ lacs) (B)	5,427.17	6,029.64	
Ratio (times) = (A)/(B)	4.68	2.83	65.41%
Net capital turnover ratio			

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	% change
Revenue from operations (in ₹ lacs) (A)	32,533.84	25,514.49	
Current assets (in ₹ lacs)	25,210.86	20,729.73	
Less: Current liabilities (in ₹ lacs)	10,799.58	15,889.30	
Net working capital (in ₹ lacs)	14,411.27	4,840.43	
Average net working capital (in ₹ lacs) (B)	9,625.85	4,342.30	
Ratio (times) = (A)/(B)	3.38	5.88	-42.48%
Net profit ratio			
Net profit/(loss) after tax (in ₹ lacs) (A)	1,810.13	1,522.34	
Revenue from operations (in ₹ lacs) (B)	32,533.84	25,514.49	
Ratio (%) = (A)/(B)	5.56%	5.97%	-6.75%
Return on capital employed			
Net profit/(loss) before tax (in ₹ lacs)	2,614.83	1,716.06	
Add: Finance cost (in ₹ lacs)	997.68	2,125.98	
Earning before interest and taxes (in ₹ lacs) (A)	3,612.51	3,842.04	
Average capital employed (in ₹ lacs) (B)	25,363.50	11,586.20	
Ratio (%) = (A)/(B)	14.24%	33.16%	-57.05%
Return on investment			
Net profit/(loss) after tax (in ₹ lacs) (A)	1,810.13	1,522.34	
Average shareholders' funds (in ₹ lacs) (B)	20,141.58	12,838.83	
Ratio (%) = (A)/(B)	8.99%	11.86%	-24.21%

Reason for change for more than 25%

- Current Ratio**
The Company's current ratio has improved from 1.30 times to 2.33 times on account of repayment of certain short-term borrowings from the funds raised by the Company during its IPO.
- Debt-equity ratio**
During the year company has raised ₹ 13,392.69 lakhs through Initial Public Offering (IPO), as per the object of the same company has repaid its long term debt, hence due to increase in equity capital base and decrease in debt portion, debt-equity ratio has decreased.
- Debt service coverage ratio**
The Company has repaid long term loans from proceeds of IPO. Hence, the decrease in debt service coverage ratio is on account of one shot repayment of long term debt from the proceeds of IPO.
- Inventory turnover ratio**
Inventory turnover ratio has increased during the year, as the Company has utilised optimum capacity of plan with better management of inventories.

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

5. Trade payables turnover ratio

Trade payables turnover ratio has increased on account of faster payment to creditors by the Company due to increase in cash liquidity.

6. Net capital turnover ratio

Net capital turnover ratio has decreased, as on account of IPO company's working capital base has increased.

7. Return on capital employed

Return on capital employed has decreased on account of company's capital employed has increased due to IPO.

Note: 36 Related Party Information as per Ind AS 24

(A) Name of related party and nature of relationship

Name of related party	Description of relationship
1. Key Managerial Personnel	
Kiran Bhikhalal Patel	Whole-time Director
Mukesh Babubhai Patel	Managing Director
Rameshbhai Shivabhai Patel (Ceased to be director w.e.f. 05/11/2020)	Director
Dineshbhai Ramanbhai Patel	Whole-time Director
Daxesh Manaharlal Thakkar	Independent Director
Kamal Dave	Independent Director
Nidhi Praveen Gupta (Resigned w.e.f. 01/04/22)	Independent Director
Chitra Kirtivasan (Appointed w.e.f. 02/04/2022)	Additional Director
Dhaval Rajendrabhai Shah (Resigned w.e.f. 20/05/21)	CFO
Himanshu Shah (Appointed w.e.f. 20/05/2021)	CFO
Paras Shah	Company Secretary
2. Relatives Of Key Managerial Personnel	
Babubhai Punjabhai Patel	
Bhikhabhai Ranchhodbhai Patel	
Chetanaben Mukeshbhai Patel	
Dharmendrabhai Dineshbhai Patel	
Dimpalben Dineshbhai Patel	
Jashiben Hasmukhbhai Patel	
Jigarbhai Bhikhabhai Patel	
Jignaben Dharmendrabhai Patel	
Kailashben Sureshbhai Patel	
Pal Mukeshkumar Patel	
Rakeshbhai Shivabhai Patel	
Ramanbhai Virabhai Patel	
Reviben Ramanbhai Patel	
Rinkuben Kiranbhai Patel	
Savitaben Bhikhabhai Patel	
Shivabhai Ramabhai Patel	
Shushilaben Rameshbhai Patel	
Vasantbhai Ramanbhai Patel	
Pal Mukeshkumar Patel	

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

(B) Transactions with related party

(₹ In lakhs)

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration to Key Managerial Personnel		
Kiran Bhikhalal Patel	9.25	6.00
Mukesh Babubhai Patel	9.25	6.00
Rameshbhai Shivabhai Patel	-	6.00
Dineshbhai Ramanbhai Patel	9.25	6.00
Paras Shah	5.61	1.21
Dhaval Rajendrabhai Shah	2.80	5.10
Himanshu Shah	25.12	
Salary to Relatives of KMP's		
Chetanaben Mukeshbhai Patel	3.00	6.00
Pal Mukeshkumar Patel	1.04	-
Dharmendrabhai Dineshbhai Patel	5.78	6.50
Dimpalben Dineshbhai Patel	3.00	6.00
Jigarbhai Bhikhabhai Patel	9.25	6.00
Rakeshbhai Shivabhai Patel	6.00	6.50
Rameshbhai Shivabhai Patel	9.25	-
Rinkuben Kiranbhai Patel	3.00	6.00
Shushilaben Rameshbhai Patel	3.00	6.00
Rent Paid		
Mukesh Babubhai Patel	-	2.40
Loan received		
Kiran Bhikhalal Patel	-	2.70
Mukesh Babubhai Patel	-	38.67
Rameshbhai Shivabhai Patel	-	2.53
Babubhai Punjabhai Patel	-	0.50
Jashiben Hasmukhbhai Patel	-	12.17
Savitaben Bhikhabhai Patel	-	0.17
Loan repaid		
Kiran Bhikhalal Patel	6.90	-
Mukesh Babubhai Patel	0.62	38.67
Rameshbhai Shivabhai Patel	85.02	-
Dineshbhai Ramanbhai Patel	87.62	60.00
Babubhai Punjabhai Patel	60.58	30.00
Bhikhabhai Ranchhodbhai Patel	-	2.19
Chetanaben Mukeshbhai Patel	-	13.14

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for the year ended 31st March, 2022

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Dharmendrabhai Dineshbhai Patel	0.74	-
Dimpalben Dineshbhai Patel	0.67	-
Jashiben Hasmukhbhai Patel	-	24.34
Jigarbhai Bhikhabhai Patel	3.70	-
Jignaben Dharmendrabhai Patel	1.29	-
Rakeshbhai Shivabhai Patel	66.29	-
Kailashben Sureshbhai Patel	-	31.42
Ramanbhai Virabhai Patel	27.51	-
Reviben Ramanbhai Patel	50.18	-
Rinkuben Kiranbhai Patel	-	0.21
Savitaben Bhikhabhai Patel	-	2.49
Shivabhai Ramabhai Patel	-	0.00
Shushilaben Rameshbhai Patel	-	2.53
Vasantbhai Ramanbhai Patel	125.19	-

(C) Outstanding Balances with related party

Name of Related Party	Outstanding balance	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans from Directors and Relatives		
Kiran Bhikhalal Patel	-	6.90
Mukesh Babubhai Patel	-	0.62
Rameshbhai Shivabhai Patel	-	85.02
Dineshbhai Ramanbhai Patel	-	87.62
Babubhai Punjabhai Patel	-	60.58
Dharmendrabhai Dineshbhai Patel	-	0.74
Dimpalben Dineshbhai Patel	-	0.67
Jigarbhai Bhikhabhai Patel	-	3.70
Jignaben Dharmendrabhai Patel	-	1.29
Rakeshbhai Shivabhai Patel	-	66.29
Ramanbhai Virabhai Patel	-	27.51
Reviben Ramanbhai Patel	-	50.18
Vasantbhai Ramanbhai Patel	-	125.19

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

(D) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties

(E) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors

Note: 39 Fair Value Measurements

Accounting classification and fair values

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

(A) Financial instruments by category

(₹ In lakhs)

31-Mar-22	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
[i] Financial assets						
Security deposit	-	-	209.50	-	-	-
Trade receivable	-	-	10,146.14	-	-	-
Cash and cash equivalents	-	-	1,627.72	-	-	-
Bank balances other than cash and cash equivalents	-	-	321.49	-	-	-
Loans	-	-	4.81	-	-	-
Other financial assets	-	-	-	-	-	-
	-	-	12,309.65	-	-	-
[ii] Financial liabilities						
Borrowings	-	-	5,685.67	-	-	-
Trade payables	-	-	5,767.04	-	-	-
Other financial liabilities	-	-	557.74	-	-	-
	-	-	12,010.44	-	-	-

(₹ In lakhs)

31-Mar-21	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
[i] Financial assets						
Investment in debt instruments	-	-	136.80	-	-	-
Security deposit	-	-	86.54	-	-	-
Trade receivable	-	-	9,008.20	-	-	-
Cash and cash equivalents	-	-	218.03	-	-	-

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

31-Mar-21	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Bank balances other than cash and cash equivalents	-	-	350.38	-	-	-
Loans	-	-	5.15	-	-	-
Other financial assets	-	-	15.38	-	-	-
	-	-	9,820.48	-	-	-
[ii] Financial liabilities						
Borrowings	-	-	16,099.51	-	-	-
Trade payables	-	-	5,087.30	-	-	-
Other financial liabilities	-	-	563.02	-	-	-
	-	-	21,749.82	-	-	-

(B) Fair Value Heirarchy

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

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

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

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

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

(C) Valuation Techniques

Specific valuation techniques used to value financial instruments include

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

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

Note: 40 Capital Management

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

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

The capital gearing ratio is as follows:

(₹ In lakhs)		
Particulars	31-Mar-22	31-Mar-21
Borrowings (Incl. Current Maturity)	5,685.67	16,099.51
Less: Cash and Cash Equivalents	(1,627.72)	(218.03)
Adjusted Net Debt (A)	4,057.95	15,881.48
Equity Share Capital	4,474.11	3,355.51
Other Equity	22,205.27	10,248.29
Total Equity (B)	26,679.37	13,603.79
Adjusted Net Debt to Total Equity ratio (A/B)	0.15	1.17

Note: 41 Financial Risk Management

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

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

[A] Credit risk

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

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Trade receivables

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

[B] Liquidity risk

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

Maturities of financial liabilities

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

Particulars	Carrying amount	Upto 1 year	1 - 2 year	More than 2 years	Total
31-Mar-22					
Non-derivatives					
Borrowings (including interest accrued)	5,685.67	3,485.67	91.67	2,108.33	5,685.67
Trade payables	5,767.04	5,767.04	-	-	5,767.04
Other financial liabilities	557.74	514.18	-	43.55	557.74
Total	12,010.44	9,766.89	91.67	2,151.89	12,010.44
31-Mar-21					
Non-derivatives					
Borrowings (including interest accrued)	16,099.51	9,107.91	1,834.76	5,156.84	16,099.51
Trade payables	5,087.30	5,087.30	-	-	5,087.30
Other financial liabilities	563.02	520.96	-	42.05	563.02
Total	21,749.82	14,716.17	1,834.76	5,198.89	21,749.82

[C] Market risk

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

- Currency risk; and
- Interest rate risk

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

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

(i) Foreign currency risk

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

(a) Foreign currency risk exposure

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

Particulars	31-Mar-22	31-Mar-21
Financial assets		
Trade receivables		
USD	374.59	738.07
Net exposure to foreign currency risk (assets)	374.59	738.07
Financial liabilities		
Trade payables		
USD	38.51	47.33
Net exposure to foreign currency risk (liabilities)	38.51	47.33

(b) Foreign currency sensitivity analysis

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

(ii) Interest rate risk

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

Interest rate risk exposure

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

Particulars	31-Mar-22		31-Mar-21	
	Amount	% of total	Amount	% of total
Variable rate borrowing	5,685.67	100.00%	15,752.52	100.00%
Fixed rate borrowing	-	0.00%	-	0.00%
	5,685.67		15,752.52	

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

Sensitivity

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

Particulars	Impact on profit after tax	
	31-Mar-22	31-Mar-21
Interest rate increase by 100 basis points	(80.25)	(218.15)
Interest rate decrease by 100 basis points	80.25	218.15

Note: 42 Disclosures mandated by Schedule III by way of additional information for consolidated financial statements :

Name of Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as %age of consolidated net assets	Amount (₹ In lakhs)	as %age of consolidated profit or loss	Amount (₹ In lakhs)	as %age of consolidated other comprehensive income	Amount (₹ In lakhs)	as %age of consolidated total comprehensive income	Amount (₹ In lakhs)
Parent								
Exxaro Tiles Limited	99.998%	26,679.73	100.02%	1,810.49	100.00%	(1.39)	100.02%	1,809.09
Subsidiary								
Exxaro Ceramic Limited	0.002%	0.64	-0.02%	(0.36)	0.00%	-	-0.02%	(0.36)
Total	100.00%	26,680.37	100.00%	1,810.13	100.00%	(1.39)	100.00%	1,808.73
(a) Adjustments arising out of consolidation		(1.00)		-		-		-
(b) Non-controlling interests		-		-		-		-
Total		26,679.37		1,810.13		(1.39)		1,808.73

Note: 43 Segment Information :

(a) Primary segment - Business Segment

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

Notes On Consolidated Financial Statements

for the year ended 31st March, 2022

(b) Secondary segment - Geographical Segment

Information of geographical segment:

Particulars	Year	In India	Outside India	Total
		(₹ In lakhs)	(₹ In lakhs)	(₹ In lakhs)
Segment Revenue	2021-22	31,880.52	653.33	32,533.84
	2020-21	21,878.86	3,542.40	25,421.26
Carrying cost of Assets by location of Assets	2021-22	15,026.93	-	15,026.93
	2020-21	15,941.18	-	15,941.18
Additions to Assets and Intangibles	2021-22	455.46	-	455.46
	2020-21	134.24	-	134.24

Note: 44 Effect of Change In Accounting Estimate

During the year the Company has changed its expected credit loss provision percentage from 30% and 10.60% to 5% on debtors outstanding for more than 6 months from the due date. The effect of such change in accounting estimate has not been quantified.

Note: 45

Previous year's figures have been regrouped wherever necessary.

As per our Report of even date

For H B Kalaria & Associates

Chartered Accountants
FRN : 104571W

Hasmukh B Kalaria

Partner
Membership No: 042002

Rajkot, May 27, 2022

For and on behalf of the Board of Directors,

Mukesh Patel

Managing Director
DIN: 01944968

Himanshu Shah

Chief Financial Officer
PAN: AMDPS6139B

Talod (Sabarkantha), May 27, 2022

Kiran Patel

Wholetime Director
DIN: 01918094

Paras Shah

Company Secretary
PAN: GNPPS9855F

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